

THE  
MERCHANTS' MAGAZINE  
AND  
COMMERCIAL REVIEW.

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JULY, 1870.

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THE PRINCIPLES OF FUNDING.

The active promoters and designers of funding schemes seem to have a notion that there is a magic power in legislation to fix the rate of interest at which money can be borrowed; and that buyers have only to enact a loan at four per cent in order to negotiate it. Others, who see clearly that the market for loans, as for everything else, is regulated by the abundance of loanable funds and the credit of the borrower, have a notion that the length of time which a loan has to run is a primary element of its value; and that the government can add indefinitely to the desirableness of its bonds by giving them a great many years before redemption. No strongly has this been stated recently on the floor of the United States Senate, as almost to tempt a hearer to suppose that certain Senators consider no interest at all to be necessary, if only the loan might run forever. It ought to be enough, in answer to this suggestion, to point out that the most popular government bonds in the world have no specified time to run at all, and are redeemable at any day, at the pleasure of the debtor. This is the case with the English Consols, which pay little more than three per cent, and the French rentes, which pay but four and a half per cent upon their market price.

But since these examples, which are universally known, are not sufficient for some of our financial theorists, it is worth while to examine the principles on which the market prices of different classes of bonds, varying

in the length of time they run and in the rate of interest they bear, are determined. These principles are important, because it is only by carefully allowing for their influence, and eliminating them from the calculation, that the comparative credit of two borrowing nations can be understood. The best general expression for the credit of any borrower is the rate of interest which he must pay, in order to obtain a loan. For example, if money is so abundant in New York that a strictly first-class mercantile house can sell its paper at six per cent., any house which commands so much less confidence that its paper, for the same period, will only sell at nine or ten per cent must rank as decidedly of a lower grade; and the comparison of the rates of discount at which different signatures are quoted affords the accurate test of their credit, taking the lowest rate upon the paper of the very best houses as the standard of absolute security. The same rule applies equally well to nations as borrowers.

The standard of absolute security in the most abundant money market in the world, that of London, may be said to be the British consols; which draw three per cent interest, and are quoted in round numbers at an average price of ninety-four, so that the investor obtains three and one-fifth per cent for his money. But this standard is a very high one in all respects. The loan is held almost exclusively in Great Britain, hence the interest is collected without delay or expense, and by citizens of the government that owes it, having all the authority of the nation and the prestige of sovereignty to support it. The accumulation of money in that country is far greater than any other, so that the current rate of interest is almost always low; and the market is always open for negotiating sales of the debt or loans upon it. No foreign bonds can ever be as desirable as home bonds; and British consols cannot be regarded as a standard for the debts of other nations, in which the current rate of interest is higher, because profits are larger; and in which the accumulation of loanable funds is not only far less in amount, but far less constant. For instance, the rate of interest paid in England on first-class landed security is not far from the same as that paid by consols, although the expense and delay of conveyancing give the latter some advantage. But it is safe to affirm that the average rate upon the best mortgages could not rise there above four per cent without a marked fall in consols; nor could that rate fall much below three per cent without bringing the price of consols to or above par.

Now, suppose that the British government wished to negotiate a new loan in place of consols; with a definite time to run before redemption at par. For instance, suppose it to issue a new three per cent loan with ten years to run, what would be its market value? Since the credit

of the government is precisely such as to command three and one-fifth per cent, it is evident that the new loan must sell so that the purchaser will get this rate of interest; and since he will receive three per cent in his semi-annual dividends, he must have the equivalent of the remainder, or one-fifth of one per cent per annum for ten years, in the form of a discount upon the par value of his bond. That is to say, he would pay a little more than ninety-seven for the new loan; so that, at the end of the ten years, when it is paid, he will have just what he would have had if the full interest of three and one-fifth per cent had been paid every year.

On the other hand, let us suppose the rate of interest to fall, so that the British government could command loans at the rate of two and a half per cent per annum, its bonds would of course be above par; and it would be the privilege of the government to redeem them at par by the issue of a new loan at a lower rate. Suppose the new loan to be issued with ten years to run, at the rate of two per cent per annum—at what price must it be sold? Obviously, at such a price as will give to the purchaser, at the end of the ten years, just as much as he would have received by compounding his interest for that period at two and a half per cent; that is, he must receive, in a discount from the par value, one half of one per cent, in addition to the proposed dividend of two per cent. The new bond would, therefore, sell at nearly ninety-four per cent, or the present price of Consols. That is to say, when a bond, with a definite time to run, sells for less than par, it is because the rate of interest which it nominally pays is less than the rate of interest which the borrower's credit will really command.

The opposite of this proposition is no less true. In 1855 and 1856 the United States owed money borrowed at six per cent. But its credit had improved, so that these bonds rose in value, and for a long time sold as high as 115. They had still eleven or twelve years to run, and the purchaser at these high prices would receive six per cent, every year until the bonds were paid, when he would only receive 100 for them at their redemption. The premium of fifteen per cent was paid by him in advance, to be repaid only in the interest; so that if he held the bonds until redemption, he would have only as much as if he had invested his money at compound interest at four and a half per cent per annum. In other words, the credit of the United States, at this time, when its debt was small and its treasury overflowing, was such that four and a half per cent was a fair rate of interest for it to pay; and this instance exhibits the general principle that when a bond, with a definite time to run, sells for more than par, it is because the rate of interest which it nominally pays is higher than the rate of interest which the borrower's credit will really command.

Putting together these indisputable principles we have the general rule that if a bond, with a definite time to run, is to be sold neither at a premium nor at a discount, but at par, the rate of interest named in it must be neither greater nor less than the rate which fairly represents the borrower's credit in the market. Let that rate be once ascertained, and we know to a certainty just what rate must be promised in order to find a market for the bond. Nothing can be added to its value by postponing the time for its redemption. Nothing can be taken from its value by limiting that time; provided it be not made so short as to take it out of the list of permanent investments entirely, and make it so uncertain as to offer no inducements to those who wish a fixed revenue secured to them.

It is, of course, understood that these are only general principles, by which the values of bonds are governed, subject to the influence of local and temporary circumstances in the markets, and to that of particular features in the bonds themselves. These special influences sometimes prevent a security from being a trustworthy indication of the actual credit of the debtor. For instance, the five twenty bonds were long depressed by the doubt whether they would be paid in real money; and they are even now lower in proportion to the interest they pay than the ten-forties; which may arise in part from this old doubt as to payment, and in part also from the fact that they are more abundant; but, probably, chiefly because the margin for profit in buying them, in view of their being soon funded, is so much smaller. The five-twenties are, or soon will be, redeemable at par in gold; hence they cannot rise much above that price, and the possible profit in buying them at 96 or 97 is less than buying the ten-forties at 94. These incidental variations in price do not affect the worth of the general rule stated above.

In order to determine the rate of interest at which the United States could now fund its maturing or redeemable debt, therefore, we have only to ascertain the rate at which they can command loans in the open market, apart from the special privileges which give exceptional value to such securities as the three per cent certificates. The best data for this purpose are afforded by the ten-forty gold bonds and the six per cent thirty year currency bonds issued to the Pacific railway companies. If the former sell at 94 and the latter at 110, each in the currency in which it is to be paid, it will follow that the United States can borrow gold at  $5\frac{1}{2}$  per cent, and greenbacks at almost exactly the same rate. It appears then that any attempt to fund the debt at present at any rate lower than  $5\frac{1}{2}$  per cent must needs fail, if it did not even disturb values and unsettle credit so as to postpone the time when funding may be hoped for. It appears also that the credit of our government in the



world's markets is now advancing, since the rate at which it can borrow has fallen from above six per cent to about  $5\frac{1}{2}$  per cent, and that another year of equal success in our financial administration would bring a loan on consols at five per cent to par, and would then enable the Treasury gradually to put the whole debt in a more manageable form, and to save at least \$12,000,000 a year in the interest. But since the funding rate must necessarily be determined, not by act of Congress, but by the actual credit of the nation at the time it is done, it is plain that any attempt to put the debt in a permanent form before that credit is finally established, and the present growth of it fully matured, would be premature and injurious.

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### LOW TOLLS AND THE BUSINESS OF THE CANALS.

The policy adopted by the Canal Board in authorizing a material reduction of tolls on canal traffic, appears already to have produced marked results in stimulating the shipment of freight by the Erie and other main waterways of the State. These indications, promising a large increase of business over that of last year, are the more significant when we consider the unfavorable circumstances attending the operation of the canals during the first few weeks of the present season. The disastrous breaks which occurred last fall compelled the greater part of the boats to winter on the Hudson, and it is said that the number laid up at this city and at Albany was never so large during the winter months of any previous year. While this fleet of boats was moving westward during the first few days of navigation, the serious break at Utica occurred, causing a further detention of several days, during which navigation was wholly suspended. The natural result of these successive accidents was a scarcity of tonnage at Buffalo for more than a fortnight after the first fleet had moved eastward, and so great was the want of boats that the shipping business was almost at a standstill. Large quantities of grain consequently accumulated at Buffalo, and at the beginning of the present month the stock of wheat in the elevators at that point was reported at 933,200 bushels, against 110,000 on the 1st of June, 1869. Another effect of the want of adequate tonnage accommodations was to considerably increase canal freights during the first few weeks of navigation. In May, 1869, the average charge on wheat, over tolls, was 7.07 cents, although during the latter part of the month boats were abundant, and the competition between the carriers was so active as to reduce freights half a cent lower than the average for the season. This year rates are reported as ruling strong without change at 8.04 up to the present time; but it is claimed that, had shippers enjoyed the same facilities for moving grain this

season as last, rates would have been materially lower, competition between the carriers and the railroad companies would have been more animated, and the heavy stock of grain accumulated in the Buffalo elevators would have been afloat for tide water, adding nearly a million bushels to the amount already forwarded by canal.

Another serious obstacle to the success which should have attended the initiation of a more liberal policy on the part of the State with regard to the operation and management of the canals, was the partial failure of the last corn and oat crops throughout the west, and the consequent light eastward movement of these cereals which, as the rule, constitute a very considerable portion of the business of the canals. The total receipts of corn and oats at the five principal lake ports, Chicago, Milwaukee, Toledo, Detroit and Cleveland, from the beginning of August last to the close of May were over 13,000,000 bushels less than the receipts for the same period of 1868-9, and a similar falling off is reported in the receipts of these cereals at Buffalo for shipment eastward, of which there were over 850,000 bushels less during May last than for the corresponding month of 1869. The receipts at New York also show a similar decline, the total deliveries of corn and oats at this port for the five months ending with May being nearly 3,000,000 bushels less than during the same period ending with May last year. Indeed, the movement of these cereals throughout the country has been so light that a comparison of the shipments by canal with previous years of abundant crops would give no trust worthy indication of the effect of a reduction of tolls on this important branch of the carrying trade.

Under these extremely unfavorable circumstances, it cannot be expected that the business of the canals would show a large immediate increase in response to the liberal action of the Canal Board, and yet there is much to encourage the advocates of a low toll policy in the results already attained. The *Buffalo Commercial Advertiser*, reports the shipments of flour by canal from the 10th to the 31st of May, inclusive, at 2,395 bbls. against 2,015 for the same period last year, and the shipments of wheat at 1,741,692 bushels, against 1,495,124 last year; an increase in flour of 380 barrels, and in wheat of 246,568 bushels. For the reasons before mentioned no comparison of the shipment of corn and oats this year and last are given. In the shipments of rye there has been a gain this year, as compared with last, of 7,795 bushels. The receipts of lumber, staves, hoops and nearly all classes of coarse freight at Buffalo, are also reported to be largely in excess of those of last year; but it is of course premature to attribute this increase solely to a reduction of canal tolls, until it is ascertained what proportion of the total receipts at that port are sent eastward by canal and what by rail. It cannot be

questioned, however, that the receipts of wheat have not been as heavy during any month of May since 1864 as they were this year, and that the stock of coarse freights awaiting shipment was never larger than at present. The deliveries of wheat at Buffalo during the past month aggregate the large total of 3,230,158 bushels, against 1,758,048 last year; of lumber, 31,962,143 feet, against 26,859,196 feet last year; of staves 4,992,254 against 1,078,722 last year; of hoops, 4,814,371 against 3,734,700 last year. From the shippers of westward bound freights equally favorable reports are received. The movement of railroad iron by canal from this port is largely on the increase, and the shipments of anthracite and other coals promise to be larger this year than last.

Judging from present indications, therefore, it is probable that, as compared with last year, the volume of canal traffic will show as great an increase as was anticipated by the advocates of a reform policy in canal management. It is not to be expected that their revenues will be greater, but it may be confidently predicted that the increased trade and business prosperity of the State attending the practical workings of a system of low tolls will fully vindicate the wisdom of such a policy; and if such a desirable result is attained, the necessity for permanently securing these benefits would, doubtless, result in the ratification of the Canal Debt Funding bill at the polls next fall. It must be remembered, however, that the low toll policy is still an experiment, and that, whether it shall prove successful in reclaiming for the canals any considerable portion of the business directed into other and cheaper channels during the past few years, depends in no small degree upon contingencies over which the Canal Board can exercise no control. If, as has been feared, the carriers take advantage of the lower tolls and increased business to combine for a proportionate advance in freight charges, the practical result will be to divert into the hands of competing railroad companies and turn into other and less direct channels, a considerable part of the traffic that should find its natural outlet to the seaboard through the Erie canal.

#### FOREIGN EXCHANGE AND PRODUCE EXPORTS.

The exports of cotton furnish, during a considerable part of the year, so large a portion of the commercial bills on the market, that the approach of the season when the supply from that source must diminish, has been regarded by some as a period when an advance in the rates of exchange was likely to take place. This is not necessarily a correct conclusion, as there are some particulars in which the produce movement this summer will differ from last summer's movement. For the purpose of illustrating

this, we give the following statement of the exports of cotton, breadstuffs, and tobacco from the Atlantic and Gulf ports of the United States from June 1 to September 1, 1869.

Cotton.....	85,000 bales, valued at .....	gold \$3,500,000
Flour.....	850,000 bbis., " .....	" 3,825,000
Corn meal....	65,000 bbis., " .....	" 800,000
Wheat.....	9,500,000 bush., " .....	" 10,075,000
Corn .....	825,000 bush., " .....	" 800,000
Tobacco .....	17,500 hhds., " .....	" 5,815,000
Tobacco .....	24,700 other pkgs., valued at.....	" 2,000,000
Tobacco, m'r'd.	2,900,000 lbs., valued at.....	" 600,000
Total value in gold.....		\$30,425,000

We have not taken into this calculation the important item of Petroleum, nor the export of breadstuffs from the Pacific coast; they are not necessary to our present purpose, though they should not be lost sight of.

From the above it will be seen that for the three summer months last year the exports of cotton were 85,000 bales, with \$100 gold per bale—a fair valuation. At the close of May, 1870, there was a stock of cotton in this country of about 302,000 bales, against 150,000 bales the corresponding date last year. It is very plain that the receipts of cotton at the ports are for the remainder of the season to exceed last year's movement during the same period, and will be in excess of the wants of our spinners, leaving, in case crop reports continue favorable, the whole of the stock to be exported, which, at the reduced value of say \$80 gold per bale, amounts to the sum of about \$24,000,000 in gold.

The exports of breadstuffs—of wheat and wheat flour in particular—during the summer months of 1869 were unusually large, about two-fifths of the exports of a year in which the shipping demand was much above the average. But we see no reason to doubt that the export for the coming summer will be fully as large. The demand from Europe is more general and legitimate, and less speculative now than then; while other foreign markets which draw supplies from us are purchasing with great freedom. Prices are now rather higher in gold than last June; so that our shipments of flour and wheat for the next three months may be estimated at \$15,000,000 in gold—an amount that will seem incredible to one who has not fully examined the subject. But when it is remembered that during the summer months of 1869 from this market alone we exported 600,000 bbis. flour, valued at \$2,700,000 in gold, and 8,720,000 bushels of wheat, valued at \$9,000,000 in gold, with supplies now coming forward in excess of last year, the above estimate of fifteen million dollars from the whole Atlantic seaboard will not be considered excessive.

We now come to tobacco. The last crop of Kentucky tobacco is estimated at fully 30,000 hhds. short, and the deficiency may reach 40,000. The short crop led to extreme prices. These have greatly retarded the



export of this staple, and hence the shipments which should have been made in April and the first half of May are now in progress. However much therefore the falling off in the crop may contribute to a diminished aggregate export, the movement for the next three months is likely to equal in amount the corresponding period of 1869; and as it is going forward at a great advance in gold prices, the value of the tobacco to be exported will exceed last years figures probably approximating ten millions of dollars. We thus reach the following estimate of the gold value of the exports of these three great staples for the next three months :

Cotton.....	\$24,000,000
Breadstuffs.....	15,000,000
Tobacco.....	10,000,000
Total.....	\$49,000,000

—an increase of nearly nineteen millions over the corresponding period of 1869, or nearly one and a half millions dollars in gold per week—an item of no small importance in estimating the future of exchanges.

The exports of other articles of produce are likely to rather exceed than fall below last year, particularly in gold value. This is now true of petroleum; while our imports from many evident causes are not generally estimated at so large a figure as last season.

We give these facts as they are of importance in connection with the movement of exchange and gold during the summer. Last year the unprecedented and unexpected export of breadstuffs disturbed the calculations of those who were looking for an outflow of gold. This summer, notwithstanding the bond movement is likely to be small, the increased supply of bills from the sources above indicated may lead to a similar result.

### WHEAT—PAST AND FUTURE.

Since about the middle of May 1869 the whole movement in Wheat, including the course of prices and the tone of the trade, not only at this but at all the leading markets, has been so contradictory, perverse and unexpected, as to disappoint the oldest and most sagacious persons in the business, involving many in severe losses. The wide fluctuations in the quotations, under circumstances apparently not favoring such variations, are best seen in the following summary of prices of Wheat at specified times, to which we add the stocks and rates of gold:

	May 20, 1869.	Highest since.	Lowest since.	June 9, 1870.
Price of No. 1 Spring.....	\$1 50	\$1 72	\$1 14	\$1 37
Gold Rate.....	1 52	1 62	1 11	1 14
Wheat in sight, bush.....	*5,000,000	11,349,000	2,705,000	6,700,000

\*Partially estimated.

From the foregoing it can be readily seen that the price of gold and the amount of stocks have not regulated the price of Wheat. The highest figure of the year for Wheat was reached August 16, 1869. Gold was but 134 with No. 1 Spring \$1 70 per bushel at that time. The quantity in sight was below three million bushels, with an active speculation in Liverpool, where No. 2 Spring advanced to 10s. per cental. At the time of the greatest accumulation of stock (the first week in January 1870) No. 1 Spring was worth \$1 28 in currency, with gold at 122, showing that then, in spite of all the adverse influences which a close money market and vast accumulations in our own and the British markets, (aggregating 28,000,000 bushels at the commencement of the current calendar year), the price of the best spring wheat remained above a dollar per bushel in gold. The only occasion during the period in question when it declined below that figure was on "Black Friday," in September, 1870. Then there was scarcely enough spring wheat in market to establish prices, the money market was practically closed, and sterling exchange declined almost as rapidly as gold advanced. At the lowest rate of premium for gold, March 9th, No. 1 Spring sold at \$1 18. The lowest price, \$1 14, was made about the middle of April, when the navigation of the Upper Lakes had been resumed, and it appeared that the vast stocks held West were to be precipitated upon this market, with no adequate demand to meet them, as Liverpool accounts continued dull; at the same time, flour was being pressed for sale, holders fearing lest it should sour on their hands, and hence extreme low prices were accepted. Gold then averaged the same as No. 1 wheat, 114, and the quantity of wheat in sight had been reduced only about two million bushels during more than two months, standing April 9, at 9,380,000 bushels.

In the spring of 1869, the fair stocks, greatly increased receipts at the Lake Ports, and the favorable crop accounts from all quarters, led to the anticipation of lower rates. But the market was met by an active export demand, so that there was, with some fluctuations, a gradual improvement in gold prices till Aug. 16, when No. 1 Spring sold at \$1 29, in gold. After that a downward movement began, which continued almost without interruption till the middle of April, 1870, at which time No. 1 Spring Wheat had declined to \$1 in gold. At this point the export movement set in again and about a month earlier than last spring; opening at \$1 a bushel, in gold, for No. 1 Spring, against \$1 08 on the 21st of May, 1869, it has already advanced to \$1 24, or within five cents of the highest gold price in August, 1869.

There are indications that the irregularity in the Wheat market for the past year or more, may continue for some time to come. Stocks are very large. Receipts are liberal. Crop prospects are good, except in some

parts of California. The demand, however, is large, and if less speculative than last year, it is not without its unreliable aspects. A French demand, such as we now have, is always exceedingly uncertain. Wheat may be salable to French buyers at most any price to day, and to-morrow they may not be induced to touch it on any terms. The subsidence of the French demand checked the advance here on Wednesday. But it does not look as if we ought to expect very low prices for Wheat. Consumption has rapidly increased in the past few years, even more rapidly than the production. The laboring classes abroad are better employed than they were a year ago, and it is reasonable to presume that wages are generally better in Europe, as trade reports have indicated an upward movement in many departments for some time past. Full crops, therefore, need not, necessarily, be followed by prices that would be unremunerative; while it is not pleasant to contemplate the results that would follow any large diminution of supplies.

Then again, we do not think that European crop accounts are, on the whole, favorable. Our own well informed correspondent at London inclines to the opinion that the crop of Spring Wheat in the United Kingdom will be short, although the winter wheat is looking extremely well. From Russia the reports are not satisfactory, while French accounts are somewhat contradictory, the weight of evidence at present being to the side of some deficiency in the yield. In view of these circumstances and of the experience of the past year, it does not appear to us that we can anticipate very low prices for wheat during the coming season.

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#### THE UNITED STATES MINT.

The Secretary of the Treasury has laid before the Finance Committee of the Senate a bill prepared by Mr. Knox, Deputy Comptroller of the Currency, for the purpose of consolidating and improving the laws of the United States concerning the various mints and assay offices. The first of these laws was passed in 1792; and from time to time new enactments and amendments have been adopted, but there has never been any thorough and general revision of the system, and it now contains many anomalies, besides being scattered in so many acts, part in force and part repealed or modified by later ones, that it is difficult to comprehend it. Mr. Boutwell strongly recommends the adoption of the one general law proposed by Mr. Knox, as a substitute for all previous legislation on the subject.

This bill, besides condensing and arranging in one intelligible docu-

ment all the mint laws now in force, makes some changes in the present organization and conduct of this institution. Some of these changes are matters of detail, which have no general interest; but others of them are of national importance, and ought to be understood by those whose interests they will, if adopted, affect.

In the first place the control of the mint as a whole, including all the branch mints and the assay offices, is taken from the "Director of Mint" at Philadelphia, and vested in a "Director of the Mint of the United States," to be the head of a bureau in the Treasury Department at Washington. This bureau is to have general charge of all the business of these institutions, including the collection of statistics relating to the precious metals—a work not now officially performed by any branch of our Government. It was by accident that the head of the Philadelphia Mint became the head of the whole mint system. That mint was first established, and was long the only one in the country. When small branches were founded in North Carolina and Georgia, without any expectation that they would ever become important, they were naturally placed under the supervision of the chief officer of the principal mint, and in 1852 when a new mint was instituted in San Francisco, and in 1853 when the Assay office in New York was authorized, these were also made branches of the Philadelphia Mint, in accordance with precedent. But each of these branches is now much more important than the original mint, and the supervision over them is merely nominal. The want of some more direct relations between them and the Treasury Department has long been felt, and, in several instances, the Government has suffered loss, because there was no proper and constant accountability to the Treasury on the part of their officers. This change seems to be desirable, or even necessary, and will only assimilate the conduct of the mint to that of other important interests connected with the Treasury, such as the National Banks, the Internal Revenue and the Customs.

Mr. Knox proposes also the entire repeal of the charge now made for coinage, so that the mint shall at all times exchange coin for fine bullion, gold or silver, at its full value, and meet the cost of coinage by appropriations from the Treasury. The argument offered in favor of this change is mainly that the charge for coinage makes bullion less valuable for this purpose than for export, and therefore stimulates the shipment of it. A man who has gold to the amount of \$100,000 in bars can only get \$99,500 for it at the mint; but England and France charge nothing for coinage, so that it is worth there the full \$100,000; and he ships it, in preference to buying commercial bills, unless he can get them at a greater discount. There are some reasons why a charge of the actual cost of coinage may fairly be made, but there is no doubt at all



that the present charge is much too high, and that, if it is entirely repealed, as the bill proposes, the export of bullion will be diminished.

Again, it is proposed to make all the "token-coinage," that is to say, the coins for small change, which pass for more than their intrinsic value, out of one uniform material, an alloy of three parts copper and one part nickel, to issue them only at par, as they are demanded, and to redeem them when issued in excess. This reform is of importance. It will prevent a glut of these coins, resulting in their depreciation; and, in connection with the plans given in the bill for keeping the accounts of this coinage, will save some unnecessary expense.

The other changes are of less general interest, but the various provisions of the bill seem to be, as a whole, wise, and many of them are of much importance. We trust that it will receive from Congress the attention to which the great national interest with which it deals entitles it.

### HORSE-POWER RAILROADS IN THE STATE OF NEW YORK.

A tabular statement for the year ending September 30, 1879.

Railroads.	Capital stock.	Funded debt.	Miles road.	Total.	Operating expenses, etc.	Net Dividends p. c.
	\$	\$		\$	\$	\$
Albany Railway .....	99,800	40,000	5.75	78,317	56,850	21,467 ....
Alceck. & Ful. Ferry.....	900,000	694,000	9.0	334,094	260,326	83, 67 ..
Broadway (Brooklyn).....	200,000	100,000	5.8	126,662	96,781	29,881 8
Broadway & 7th Av.....	2,100,000	1,500,000	8.00	713,423	480,690	232,733 4
B'klyn, Bath & C. Isl.....	80,000	80,000	7.0	30,153	37,973	Loss. ....
Brooklyn City.....	1,500,000	300,000	86.00	1,282,133	954,666	327,466 12
Bk'n C'y H. Pt & P. Pk.....	261,400	278,000	12.83	73,720	67,002	6,718 ....
B'klyn City & Newt'n.....	596,000	4, 00	5.50	134,615	162,616	21,969 ....
B'klyn, Flat & C'y Isl.....	10,000	100,000	4.50	Not yet in operat on.		
Buffalo street .....	50,500	316,500	8.61	160,423	141,471	18,957 ....
Bushwick .....	292,000	2,000	4.00	67,217	76,650	Loss ..
Cent'l City. (Syracuse).....	21,130	6,000	1.62	18,254	15,025	3,229 7
Cent. Park, N. & E. R.....	1,068,401	626,000	24.00	588,734	574,727	13,997 ....
Coney Isl. & Brooklyn.....	500,000	214,000	10.20	144,047	130,900	13,067 ....
D. Dock, E. Ry & Bat.....	1,300,000	700,000	10.63	738,600	558,496	180,104 8
Dunkirk & Fredonia.....	84,825	.....	3.60	8,480	3,318	4,162 ....
East N. Y. & Jamaica.....	170,700	82,700	9.50	27,418	22,754	4,664 ....
Elgth Avenue.....	1,000,000	23,000	10.00	835,447	635,003	200,354 12
Fifth W'd (Syracuse).....	29,385	10,000	2.60	10,403	9,947	456 ....
42d st. & G'd st. Ferry.....	748,000	260,000	5.13	376,903	264,663	112,240 10
Gen. & Wat st. (Syr.) .....	42,500	12, 00	3.00	12,598	12,003	545 ....
G'd st Ferry & Mid. Vil.....	125,000	190,000	6.00	37,890	27,685	10,205 ....
Grand st & Newtown.....	170,000	30,000	3.00	82,066	74,973	7,093 ....
Harlem B'dge, M. & F.....	114,010	130,000	5.00	72,802	68,002	4,770 ....
Kingston & Rondout.....	75,000	.....	3.35	27,390	19,985	2,405 ....
Ninth Avenue.....	797,320	167,000	6.10	110,179	1 6,849	3,390 ....
Roch'r City & Bright'n.....	60,000	15,000	9.00	34,015	36,756	Loss. ....
Sack. Hoyt & Berg sts.....	.....	.....	3.0	18,305	29,131	Loss. ....
Second Avenue.....	881,700	1 015,000	8.00	527,472	418,638	108,834 ....
Sixth Avenue.....	750,000	250,000	4.0	713,499	608,808	104,691 10
Syracuse & Ged es.....	25,000	25,000	2.00	14,263	8,901	5,362 7
Syracuse & Onondaga.....	31,000	.....	1.83	8,798	6,276	2,522 ....
Third Avenue.....	1,170,000	1,500,000	8.00	1,405,529	1,156,304	249,225 12
Troy & Alb'n.....	44,700	20,000	3.17	15,436	13,191	2,245 ....
Troy & Lansingburgh.....	250,000	100,000	9.36	131,228	163,025	6,103 ....
Utic. Clin. & B'g'n.....	121,400	200,000	13.00	86,291	6,725	17,566 ....
Van Brunt & Erie R.....	75,000	15,000	1.25	20,031	16,268	3,763 3/4
Wat'v't T'p'k'R, Alb.....	240,000	131,000	7.25	108,739	79,515	28,894 11

## HOUSE ACCOMMODATION OF ENGLAND AND WALES, WITH REFERENCE TO THE CENSUS OF 1871.

BY ROBERT HARRY INGLIS PALGRAVE.\*

Existing Information, Extent and Deficiencies—The Increase in House not Proportionate to Other Progress—Information Contained in the Census Returns, 1861—Estimates Based on Mr. D. Baxter's Method—Information in Mr. Fraser's Report—Influence of Dwellings on Certain Districts—Summary.

The social condition of the population of this country has frequently been investigated by many and competent observers. Among other names, those of Arthur Young, Cobbett, Miss Martineau, Chalmers, Porter, and Kay Shuttleworth, show how great and how varied has been the ability employed in the task. All those just named may, in some degree, be termed amateurs. Each one noted, and remarked on, the points of special interest to himself. In more recent times carefully selected and highly qualified official observers have been appointed by the Government to the duty. Dr. Simon, Dr. Farr, Mr. Baker, and the Rev. James Fraser, to single out a few names, are worthy to be placed in the same line with the best known of their predecessors. To the reports made by such observers, the writer of the following pages has been greatly indebted. In acknowledging this obligation, he desires also to mention that a wish to give a complete authority for the statements made, has sometimes led him to avail himself of the very words in which the statement was given. In all practical cases a reference has been added. But, although much information on many subjects connected with the condition of the population is to be gathered from these reports, and from other similar sources, to which, from want of space, it has been impossible to refer in detail, there is one rather important point on which our information is deficient. No adequate data yet exist for a complete and systematic investigation of the condition of the population, as to house accommodation, when regarded family by family.

To defer any attempt at investigation till this deficiency is supplied might be altogether undesirable. "An author who waits till all requisite materials are accumulated to his hands, is but watching the stream that will run on for ever." And though Mr. Hallam's fame rests mainly on other grounds than ordinary statistical research, yet the social condition of the population was far from being forgotten by him; the early numbers of the Statistical Society's *Journal* show that the house accommodation of the mass of the metropolitan population had not escaped his attention, or failed to call out his sympathy.

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\* Read before the Statistical Society of London.

I.—*Existing Information, Extent and Deficiencies.*

The materials on most points are abundant. The only difficulty at first sight appears to be that of selection. Yet, as mentioned, there is a portion of the subject on which the information is very scanty. The *quality* of the house accommodation of the United Kingdom, is as yet but scantily investigated. Existing statistics do not present any adequate information on this part of the question. The general average for the kingdom is given; the average for each county, each town, each village, is easily ascertainable. But here the information stops short. It is impossible to investigate further with any certainty, and to learn even approximately *how* individual families are housed. Endeavors have been made to unravel this point from the materials now accessible. And the results of these endeavors will be found in the following pages. But the best service which they can render is to show how little can yet be known.

And yet this subject is one of great interest. The important part which it plays in the social condition of the people cannot be doubted. But, as far as can be traced, while a vast expansion has taken place on many other points; while progress has been made in many other respects, house accommodation has remained almost stationary. Down to the present time it appears to have improved but slightly since the commencement of the century, even if there has been any real improvement at all since 1801. That date is not chosen for any other reason than because it is a convenient landmark, and the point whence authentic information on the subject commences. Before that time many ingenious estimates, like those of Sir William Petty\* and the Rev. John Howlett,† were made, but these are at best uncertain grounds to base any calculation on; and no reliable data exist before the actual enumerations which commenced in 1801. It may, however, be observed in passing, that Mr. Howlett's estimate of 5 2-5 as the average number of persons in a house in 1870, was more favorable than the state shown to exist by the investigations of twenty years later. If Mr. Howlett's estimate was correct, the deterioration which followed 1870 may correspond with the depression in the condition of the laboring population of this country at the close of the last century, noticed by Mr. Porter,‡ by Mr. Rogers,|| and commented upon by that indefatigable observer, Arthur Young.§

\* "Several Essays in Political Arithmetick," by Sir William Petty, Knt: London, 1755.

† "An Examination of Dr. Price's Essay on the Population of England and Wales," by Rev. John Howlett, A.B.: Maldstone, 1781.

‡ "The Progress of the Nation in its various Social and Economical Relations," by G. R. Porter: London, 1851.

|| "A History of Agriculture and Prices in England, from 1259 to 1793," by James E. Thorold Rogers, M.A.: Oxford, Clarendon Press, 1866.

§ "Annals of Agriculture," &c., Arthur Young: Bury St. Edmunds.

Mr. Porter has made the following statement in the opening of the chapter on Inhabited Houses, in the "Progress of the Nation :—" "The number of houses in a district will usually bear the same relative proportion to the number of its inhabitants at one period that it has borne at another." This might certainly be expected to be the case where a country has passed into a stationary state. In a country in which the density of population, the relative proportion of wealth to individual inhabitants, of imports and exports, of all the circumstances which tend to form the life of a nation, remain unaltered. But is this similarity of proportion between the number of inhabitants and their dwellings to be expected to remain permanent in a society undergoing continual change? It may be said, the place where a man lives and the style of his house are both matters in which he is free to choose. That if more houses, that if a better class of houses were required, they would be provided. In short, that in this case the supply would be equal to the demand. Few, perhaps, of the current phrases in use among economic writers have been so frequently misinterpreted as those which refer to demand and supply. Few have been more frequently misapplied. It is assumed, as a matter of course, that the one will always be correlative of the other. That, in short, the desire to possess any material object will not fail in fruition. The many cases in which a natural limitation to indefinite production exists, are quietly overlooked or ignored. A little reflection will show that houses are among the number of what are sometimes termed "excepted productions ;" productions, in short, whose numbers are not governed by the ordinary rules which apply to most other things which can be increased in quantity at pleasure.

That a thing may have any value in exchange two conditions are needed. It must be of some use ; and there must be some difficulty in its attainment. It is even possible that, however useful an object may be, the difficulty of attainment may be so great as to become a complete bar to possession.

Mr. Mill, in the third book of his "Principles of Political Economy," has illustrated this point with the clearness of language usual to him. Houses, he shows, are within the scope of limitation.

"The difficulty of attainment which determines value is not always the same kind of difficulty. It sometimes consists in an absolute limitation of the supply. There are things of which it is physically impossible to increase the quantity beyond certain narrow limits. Among such may be reckoned houses and building ground in a town of definite extent (such as Venice, or any fortified town, where fortifications are necessary to security), the most desirable site in any town whatever."

Now "desirability" is a relative term ;—nearness to the docks and the



building yards, is as desirable to the laborer and shipwright, as nearness to the courts of law is to the barrister and solicitor. And hitherto the mass of the population has had little power of choice in many instances, if there has been a choice at all between a desirable or an undesirable dwelling. There is little reason for doubt, but that if in many localities more houses had been available, more houses would have been occupied. It is true that the proportion of houses to inhabitants has slightly increased during the present century, but by no means in the ratio that might have been expected. A considerable increase might have been expected for three reasons. In the first place, the prosperity of the country has increased greatly. In the next, the burden of taxation is by no means so heavy as it was at the commencement of the century. In the third place, the incidence of that taxation bore very heavily on all building operations whatever. Bricks, tiles, timber, glass, were all subject to heavy dues; and the house itself, when built, had to bear special imposts, more onerous than those existing at present.

## II—*The Increase in Houses not Proportionate to other Progress.*

A complete survey of the social condition of the country, of the position occupied by its people, in comfort, in education and prosperity, would be of the greatest service and of general interest. The difficulties, however, of the task have apparently deterred any one since the death of Mr. Porter, from undertaking to investigate so vast a subject in as complete a manner. This is much to be regretted. A paragraph in one of Mr. Porter's prefaces shows that the writer felt that at no distant period his work must of necessity become out of date:—

"A book which professes to mark the progress of this United Kingdom, in which all the elements of improvement are working with incessant and unceasing energy, requires to be from time to time brought under revision in order to the fulfilment of the object which it professes.

"It has been said that any work which should faithfully record the outward progress of England must partake of the nature of a periodical, so great are the changes which occur, and so rapidly are they found to succeed each other. This remark may be applied with peculiar propriety to the present time, in which the most zealous advocates of progress may see their hopes outstripped and their most sanguine wishes brought within the reach of accomplishment."—*Preface to Second Edition of "The Progress of the Nation."*

The space over which a general inquiry would have to extend has already greatly expanded since Mr. Porter's death in 1852. And while Mr. Porter's works retain the value always due to a series of complete and systematic observations, while they still form the most reliable basis of

information on many subjects, a wide gap of necessity exists between the latest facts they supply, and the present day.

I therefore propose in this portion of my paper to avail myself of, and to continue the investigations contained in the chapter on "Inhabited Houses."<sup>\*</sup>

The average number of inhabitants to a house in England at each census in the present century was as follows :

AVERAGE NUMBER OF INHABITANTS TO A HOUSE IN ENGLAND.

1801.....	5.67	1841.....	5.44
1811.....	5.68	1851.....	5.50
1821.....	5.76	1861.....	5.39
1831.....	5.63		

This table certainly gives reason for the belief that, as the excise on bricks was abolished in 1850, the timber duties reduced in 1851, and the window tax repealed in the same year, the effect of the removal of these drawbacks on building is, though dimly, reflected in the improvement shown by the later figures. And on a general view, the population of England was at the date of the last census slightly less crowded for house room than at the commencement of the century. But the advantage gained is only slight. It merely amounts to this, that the position of the population in regard to house room was not worse in 1861 than it was according to Mr. Howlett's belief in 1780. This is certainly a far different result than might have been expected, if it is compared with the progress certainly made on many other points. It is also probable that this increase of the number of houses has rather benefitted the few than the many. If the condition of Middlesex as a county is investigated, a different result is shown.

AVERAGE NUMBER OF INHABITANTS IN A HOUSE IN MIDDLESEX.

1801.....	7.25	1841.....	7.59
1811.....	7.29	1851.....	7.88
1821.....	7.48	1861.....	7.90
1831.....	7.53		

A like tendency to a greater density of population exists in the case of London. But London, it may be argued, is a district, not a city with well marked boundaries. The case of Westminster, however, occupying a well-defined area, is not open to this objection; and shows the tendency to a greater crowding in a more marked degree.

AVERAGE NUMBER OF INHABITANTS TO A HOUSE IN WESTMINSTER.<sup>†</sup>

1821.....	9.84	1851.....	10.04
1831.....	9.79	1861.....	10.01

This table assists us to understand how little light a general average for the country may throw on the individual position of each inhabitant.

<sup>\*</sup> Chapter II, section v, "Progress of the Nation."

<sup>†</sup> "There are no data from which to calculate the proportion of inhabitants to dwellings in the metropolis earlier than 1821."—G. R. Porter, *Statistical Society's Journal*, vol. iv, p. 2:3.

Such overcrowding may, in particular instances, be the result of want among the local population. Westminster, it may be argued, has always contained many miserable dwellings within a stone's throw of magnificent mansions. Want may have had much to do with overpacking in Westminster. But this cannot be the case generally. The increased prosperity of the country during the last twenty years is well known. The exports and imports of the country are a sufficient test of this.

It may be urged that a larger foreign trade only proves the greater wealth among some classes, not among the population at large. The fact however, that not only the absolute amount, but the proportion per head are largely increased, would alone be sufficient to disprove this. It is certain also that the people generally have earned more money, and have been able to spend more money. They have not only bought more food, but food of a more expensive kind than they used to do.

The following table is derived from one by Mr. Lawes, inserted in Mr. James Caird's very careful paper on "Agricultural Statistics of the United Kingdom," in the Statistical Society's *Journal*, March, 1869, p. 65.

ESTIMATED CONSUMPTION OF WHEAT PER HEAD PER ANNUM.

	England & Wales, bu. hel.	Scot- land, bushel.	Great Britain, bushel.	Ire- land, bushel.	United Kingdom, bu. hel.
During the last sixteen years.					
First eight years .....	5.9	4.3	5.7	2.7	5.1
Second eight years .....	6.3	4.2	6.0	3.3	5.5
Average of the whole period.....	6.1	4.2	5.9	3.0	5.3

"Converting these figures into pounds, it appears that during the first eight years each person consumed at the rate of 311 lbs. of wheat, and during the last period 335 lbs." Meanwhile the consumption of other articles of food than the staff of life, has largely increased. Taxation has been lighter, and, as previously mentioned, the taxes on building materials have been first lightened, and then removed.

Can it be doubted that if more houses had been obtainable, more houses would have been occupied? Can it be doubted that "difficulty of attainment" has limited and hindered the natural results of an increased demand? While the working classes have been earning more wages, have been spending more on food and drink and clothing, would they not gladly have obtained mere house room had they only been able to do so?

### III.—Information Contained in Census Returns, 1861.

I have endeavored, but without avail, to extract from the census returns of 1861 some details as to the proportion of inhabitants to houses in different classes of the population. But I have been unable to frame any more exact statement of the proportion of inhabitants to houses in England than that given before. As previously stated, the needful statis-

tics do not exist. The average at the census of 1861 was 5.39 persons to a house. That is to say, about 16 persons to three houses, taking England all round. This is the general average, but there can be no doubt that particular classes are by no means as well lodged. The instances of the different proportion of the increasing density of population in Middlesex and in Westminster probably point to this. Westminster, for more than forty years far beyond the average, increases more rapidly in density than Middlesex. By referring to the comparative statement of paupers relieved in the metropolis in the Christmas quarters for the years 1866-67, it appears that the increase in number in the western district (which includes the united parishes of Westminster) was 34.7 per cent. Metropolitan Middlesex, comparing January 1st, 1866-67, had only increased 26.7 per cent—the remainder of Middlesex but 6.9 per cent.\* These figures confirm the natural belief that the poorer population has a tendency to a greater aggregation.

Tables 32, 33 and 39, given in the "Appendix to the Report on the Census of 1861,"† appeared to promise at first sight the means of tracing the subject further. These tables give the total number of families to a house in fourteen selected sub-districts of England and Wales at that date. They show very clearly how great the variations in the distribution of the population are. The general average of these districts is 5.629 inhabitants to a house. This is but slightly higher than the general average for England and Wales (5.37). But the tables show that, covered by this general average, are great extremes, from 13.930 inhabitants to a house in St. Giles to 4.041 in a sub-district in Cardigan. These sub-districts being the only ones reported on with such completeness, it occurred to me that it would be desirable to endeavor to ascertain some particulars respecting the rentals of the houses within their limits, and thus investigate the quality of the accommodation afforded to the inhabitants. This endeavor entirely failed, much to my regret.

Most of the sub-districts are merely portions of townships or parishes, and therefore it was impossible for me to obtain any more detailed information about them. In one only, Bury St. Edmunds, was the sub-district exactly coincident in extent with the Parliamentary borough. I had hoped that a return made to the House of Commons in 1867 of population and rentals within the limits of each Parliamentary borough, would have been of service for the purpose of analysing to a certain extent the quality of the house accommodation in Bury St. Edmunds. But unfortunately for this purpose the principles advocated by Mr. Mill were not in favor with the framers of that return. Had the numbers of all household-

\* "Nineteenth Annual Report of the Poor Law Board." London, 1867.

† "Census of England and Wales, 1861," vol. iii: London, 1863.



ers been specified, some details would have been possible. But a limitation to "male occupiers" only, frustrated all efforts at a correct analysis.

#### IV.—*Estimates based on Mr. D. Baxter's Method.*

Though the census of 1861 does not give any basis on which to construct detailed statistics as to the country in general, it is possible to carry the investigation further in some directions. If we apply the principles of investigation adopted in Mr. Dudley Baxter's work\* on the "National Income of the United Kingdom" to this subject, some further insight may be obtained as to the distribution of the population among the various classes of dwellings. Mr. D. Baxter divides the population into what he terms the upper, and middle, and manual labor classes. In the upper and middle classes, he includes all persons with incomes from about £75 a year and upwards. In the manual labor classes are all working people, and others with incomes from about £73 and downwards. The total population of England and Wales in 1861 was in round figures 19,900,000,† inhabiting 3,739,505 houses. Dividing the population on the principle named above, there would appear to have been then about

4,700,000 of the upper and middle classes, including those dependent on them.  
15,200,000 of the manual labor class, with the same addition.

Mr. D. Baxter checks his figures by the number of £10 houses in boroughs and counties of England and Wales in the electoral returns of 1866, which was at that time given as 1,250,000. And he considers that about 140,000 of them were occupied by the "manual labor classes." The annual rate of increase in houses appears to be far from uniform in this country: but we may suppose that 1,100,000 houses were occupied by the upper and middle classes in 1861, against 1,110,000 such houses in 1866. The "upper and middle classes" of Mr. D. Baxter's calculations are not, however, the only inhabitants of these houses. The larger proportion of servants, governesses, shop assistants, &c., must live with their employers.

The census of 1861 gives the number of these classes of persons, and it may be safely inferred that fully 1,360,000‡ attendants, in some capacity or other, must be deducted from the "lower" and added to the "higher" classes, in the sense of forming part of the same households. With these alterations the figures will be as follows:

6,000,000 "upper and middle classes," in 1,100 houses, £10 and upwards, with  
their servants, &c.  
13,840,000 "manual labor classes," in 2,639,505 houses below £10.

The proportion of inhabitants to houses is very nearly equal in both of

\* "National Income of the United Kingdom," by R. Dudley Baxter, M.A.: London, 1868.

† "Besides 151,000 respecting whom nothing was ascertained." Mr. D. Baxter.

‡ Summary Tables, XIX and XX, Census 1861, vol. ii.

these two great divisions. But there can be no doubt that vast differences in actual fact lie beneath this apparent uniformity.

Following Mr. D. Baxter's method, the manual labor classes in 1861 would be distributed as follows:

	Persons.	Dependent.	Total.
Class IV.* Higher skilled labor and manufactures (net annual earnings, £60 to £75).....	1,065,600	1,123,400	2,189,000
Class V. Lower skilled labor and manufactures (net annual earnings, £46 to £53).....	3,616,000	3,922,800	7,538,800
Class VI. Agricultural and unskilled labor (net annual earnings, £20 to £41).....	2,681,700	2,790,500	5,472,200
			15,300,000

On p. 92 of the third volume of the Census of 1861, will be found a table distributing, by calculation, the number of inhabited houses into various classes; this table assigning to no less than 659,724 houses a rent of £3 and under £5. The lowest class on Mr. D. Baxter's list No. VI), is that of agriculture and unskilled labor. The net annual earnings of the men in this class are estimated at from £20 to £41. May we take this class of labor to correspond with the 659,724 houses of the census table? Can we imagine men earning such low wages able to afford more expensive dwellings?

If we think they cannot, and it is difficult to suppose they can, we shall find that this class, in 1861, numbered, including those dependent on the earners, about 5,472,200 persons. It is probable, however, that all these individuals might not require to be housed in the 659,724 dwellings.

A considerable reduction must be made for those servants who are the children of persons in this class, and who, being personal attendants, may in the majority of cases, be reasonably conjectured to be housed by their employers. To arrive at the exact number is impossible, but a fairly approximate estimate may be made. The total number of personal attendants in 1861, probably so housed, was 1,360,000. It is also probable that most of them were the children of persons in Mr. Baxter's manual labor classes. The majority of domestic servants are in all likelihood derived rather from the upper than from the lower strata of the working classes. Assuming them, however, to have been evenly derived, as the numbers in Class VI form about five-fourteenths of the total in the manual labor classes, the corresponding proportion will be 485,710 persons; that is to say, it is probable that 485,710 individuals among the families in Class VI were, at the time of the census, servants in the houses of persons in a superior station of life. To make this deduction is, of course, to assume that Class VI is consequently far less cramped for

\* The number affixed to each class refers to that by which it is designated by Mr. Baxter.

house room than as if all these persons remained with their parents and friends. Yet even supposing the 485,710 were all lodged elsewhere, and not in the houses which would appear to be their natural homes, the average density of the population to this class would be, under these the most favorable circumstances, more than 7.50 persons to a house; that house, be it remembered, being of a rental calculated at from £3 to £5 per annum, and given a proportionately inferior accommodation. This would suppose a density of population in these cases half as much again, roughly speaking (house for house), as that of the upper classes, while the accommodation would probably be less than one fourth the extent.

The writer would hardly have ventured to put forward this hypothesis, even though based on the figures given above, had not the information obtained in Scotland, at the census of 1861, enabled Mr. Caird to state, "that one-third of the population of Scotland lived, each family, in houses of one room only, another third in houses of two rooms; two-thirds of the whole people being thus found to be lodged in a manner incompatible with comfort and decency, as now understood."—*Statistical Society's Journal*, March, 1869, p. 75.

#### V.—*Information in Mr. Frazer's Report.*

Some information as to the state of matters in the rural districts of England is incidentally afforded in Mr. Frazer's\* report on "The Employment of Children, Young Persons, and Women in Agriculture." The details will be found in the Appendix, Part II, containing the evidence from the Assistant Commissioners. At p. 216, and also at p. 218, tables are given, stating the cottage population, and the number of cottages in various groups of rural parishes. The number of rooms in each cottage is likewise given. If the first group is taken, omitting the parish of Swaffham, which, being more a town than a country parish, can scarcely be included in the category, it appears that 2,527 people inhabit 566 houses, a proportion of 4.46 persons to each dwelling. The proportion at first sight appears quite a suitable one. It is considerably *below* the average of England and Wales generally. But if we look further, another and a very different state of things is found to underlie this totally unobjectionable exterior. The table gives no particulars of the number of families. If the number of persons in each family did not exceed the corrected proportion given in the third volume of the census of 1861—4.38 to a family—the 2,527 persons would constitute 576 families. For these 576 families there would be only 566 houses; ten, therefore, or the equivalent of ten, families being lodged with their

\* "Commissioner on the Employment of Children, Young Persons, and Women in Agriculture, 1867." First Report of the Commissioners: London, 1868.

neighbors. In this respect again the housing of these persons is considerably better than the average of England and Wales, "twelve families to ten houses." "Census 1861, Report," vol. iii.

But the families themselves would be very differently and unequally lodged:

123 families having cottages with one bedroom.	
323 " " two bedrooms.	
130 " " three "	

Or, taking the number of persons—

540 in cottages with one bedroom, about one-fifth.	
1,418 " " two bedrooms, " three-fifths.	
300 " " three " " one-fifth.	

This proportion is more favorable than that of Scotland, according to Mr. Caird; but it shows how many persons are but indifferently lodged, under an average which appears at the first glance to show an unusually favorable condition.

The second group of parishes, described on p. 218, differs slightly from the one first investigated. It includes fifteen parishes, with a cottage population of 4,751 persons, occupying 1,031 houses. The general average is 4.60 to a house. This, though higher than the last quoted, is yet considerably lower than the general average for England. There would appear on analysis, however, to be 1,085 families (or their equivalents) to 1,031 houses. These families would, if equally apportioned, be distributed thus:—

251 with one bedroom:	
691 " " two bedrooms.	
143 " " three bedrooms.	

Or, taking the number of the individuals—

1,100, about one quarter in cottages with one bedroom.	
3,026 " " five-eighths " " two bedrooms.	
625 " " one-eighth " " three "	

Further particulars of these families, in both groups, will be found in the Appendix to Mr. Frazer's Report. It will be observed that these two groups are exclusively rural parishes; that they are not selected instances; that the tables exclusively refer to the cottage population alone; and that, though in neither case the proportion of individuals with but one bedroom is as low as Mr. Caird's, in neither does the proportion of those with more than two rise as high as that which he gives for Scotland.

#### VI.—Influence of Dwellings on Certain Districts.

It may be desirable to endeavor to ascertain how far the state of the house accommodation in various neighborhoods is reflected in the condition of the inhabitants. Many individual instances of the prejudicial effect of a low class of dwelling have been recorded, but it is difficult to



exhibit the results in a tabular form. Professor Leone Levi\* in his report to Mr. Bass on the wages and earnings of the working classes, has collected a vast deal of information on many collateral subjects. A table is given at p. 10 of that work, "illustrative of the connection which exists between the different occupations and house accommodation, education, health and drunkenness, and the following is a general summary of the information contained under each branch of occupation."

Industrial Districts	Rent of houses in Parliamentary Boroughs—			Education. Signatures by marks in the Marriage Register—		Drunkenness.†	Mortality.†
	Under £7. per cent.	£7 to £10. per cent.	£10 and upwards. per cent.	Males. per cent.	Females. per cent.	per cent.	per cent.
England and Wales.....	30	17	63	23	33	0.50	2.38
Cotton districts.....	58	18	24	26	57	0.80	2.66
Woolen ".....	65	9	26	28	51	0.92	2.71
Silk ".....	43	26	30	19	37	0.47	2.31
Hosiery ".....	48	23	29	24	34	0.45	2.91
Colliery ".....	66	16	18	34	47	0.56	2.61
Earthenware districts.....	60	13	27	35	45	1.02	2.61
Metal districts.....	67	16	17	32	43	1.07	2.69
Iron mining districts.....	41	59	9	48	64	0.67	2.99
Hardware districts.....	33	34	33	29	43	0.46	2.82
Cutlery districts.....	56	18	26	22	36	0.53	2.78

The table will show the effect produced by the quality of house accommodation on the various populations more distinctly, if it is re arranged according to the proportion of the poorer householders to the rest of the community.

Industrial districts.	Rent of houses in Parliamentary Boroughs under £.....		Drunkenness.	Mortality.	Marks—	
	per cent.	per cent.	per cent.	per cent.	Men. per cent.	Women. per cent.
Hardware districts.....	33	.46	2.82	29	43	
Iron mining ".....	41	.67	2.99	48	64	
Hosiery ".....	45	.45	2.91	24	34	
Silk ".....	48	.47	2.31	19	37	
Cutlery ".....	56	.51	2.78	22	36	
Cotton ".....	58	.60	2.63	26	57	
Earthenware ".....	60	1.02	2.61	35	45	
Woolen ".....	65	.92	2.71	23	51	
Colliery ".....	66	.55	2.61	34	47	
Metal ".....	67	1.07	2.69	32	48	

When thus re-arranged the districts may be divided into two groups of five districts each, with the following results :

	£7 houses. per cent.	Drunkenness. per cent.	Men. per cent.	Women. per cent.
First group.....	33 to 56	.51	28	42
Second group.....	58 to 67	.87	30	49

The rate of mortality does not exactly follow the same proportion. It is nearly equal in both groups, being slightly higher in the first group. In both divisions the average is greatly beyond that of the United King-

\* "Wages and Earnings of the Working Classes; with some Facts illustrative of their Economic Condition, drawn from Authentic and Official Sources, in a Report to Michael T. Bass, Esq., M.P.," by Leone Levi: London, 1867.

† From the "Report of the Registrar-General of Births, Deaths and Marriages, for 1861."

‡ Proportion of persons proceeded against for drunkenness in 1865, from the "Report on Judicial Statistics, 1866."

dom generally. Dr. Farr's observations on the relation of density of population to the standard of health are most instructive. They are, however, so well known, that it is not needful to do more than refer to them here.

The average rate of wages, according to Professor Levi, is lower in the first of these groups than in the second. The more poorly paid portion of the population in these contrasted districts has been, therefore, on the average, willing to pay the higher rent, is the less drunken, and the better educated.

The table given immediately above arranged the industrial districts commented on by Professor Levi according to the relative proportion of houses in Parliamentary boroughs under £7. If the houses rented from £7 to £10 are combined with these, the arrangement is slightly altered. The "earthenware" district is found in the group with fewer small houses. The "iron mining" district takes its place in the lower group.

The general results are as follows :

	£7 to £10 houses. per cent.	Drunkenness. per cent.	Marks	
			Men. per cent.	Women. per cent.
First group...	67 to 74	.58	25	36
Second group.....	74 to 91	.80	32	54

The rate of mortality is slightly lower in the first of these groups than in the second.

Whether the poorest class of houses is taken by itself, or that immediately superior in condition is combined with it, in either case it appears, according to these tables, that a population, whether earning good wages or not, if poorly lodged will likewise be at a low ebb of education, morality, and health.

#### VII.—Summary.

The preceding remarks have been restricted as closely as possible to the main subject. It is obvious that in many places a vast amount of inequality may and does underlie a general average which appears to imply no marked disproportion between the numbers of the people and their dwellings. It is obvious, also, that the increase in houses since the commencement of the century has but slightly exceeded the increase of the population, and has not kept pace with the progress in other respects. Some facts have been mentioned which show that the quality of the house accommodation of particular districts has impressed its mark on the population of those districts. That a portion of the population, at least as well off as another portion in most respects, inferior only in the quality of its dwelling places, is at a lower level in education and morality in proportion to that inferiority. More instances might be readily given.

There is in the metropolis alone a population equal in numbers to the inhabitants of many large towns, whose house accommodation is anything

but satisfactory. Dr. Hunter's report of 1866 states: "First, that there are about twenty large colonies in London, of about 10,000 persons each, whose miserable condition exceeds almost anything he has seen elsewhere in England, and is almost entirely the result of their bad house accommodation; and secondly, that the crowded and dilapidated condition of the houses of these colonies is much worse than was the case twenty years ago."\*

The large colonies alone are mentioned here; to take the smaller examples at half of the large, is probably to understate their amount, adopting that calculation it amounts to this, that the reason of one-tenth of the population of London being miserable and in want, is their "bad house accommodation." It is true that private liberality has done much since that date, but it is probable that the condition of these particular districts is not much ameliorated. Nor is the country at large free from this misfortune, as shown by the statistics given from the appendix to Mr. Frazer's report, and many pages might be filled from the remarks of highly qualified observers.

It is so usual to regard the course of events in this country as one of continued progress, that it requires some little effort to realize that the progress though great, has been far from uniform. The history of the social condition of the population shows many variations, frequently continued over long periods. If even no greater a length of time than the last century and a half is examined, it will be found to contain many alternate successions of welfare and of want. "The period of fifty years, from 1715 to 1765, was characterised by a marked exemption from seasons of scarcity, compared with the fifty years preceding."† This "exemption from seasons of scarcity" was accurately marked in the condition of the people; so was the entirely opposite character of the years 1765-75. From the latter date to 1792 the seasons appear to have been irregular. The twenty years, 1795-1815, were a period of great depression. Since that date there has been much improvement, followed by a check in quite recent years. But it is impossible to compare the Great Britain of 1869 with that of 1765, otherwise than in the most general way, in these points. If modern legislation has done much to alleviate the distress inevitable on a series of "seasons of scarcity," it must be remembered that enlarged facilities in other respects, and, foremost, increased freedom of locomotion will for the future exercise a great influence at all periods of depression. Emigration at such times must be looked for. And it is possible that the time may not be far distant when emigration may no longer be looked on

\* "Eighth Report of the Medical Officer of the Privy Council." London, 1866.

† "A History of Prices, and of the State of the Circulation, from 1793 to 1837," &c., by Thomas Tooke: London, 1833.

as a panacea for all distress. Meanwhile it is scarcely likely that the active, the intelligent, the pick of the population, will be retained, unless they can obtain in this country those comforts which decent accommodation in house room alone can afford.

The question also suggests itself, may not the generally indifferent house accommodations of the working classes be a main reason why the prosperity of the last few years has left so few permanent results? There can be no doubt that the population at large earns larger wages than twenty or thirty years ago. But the improvement in house accommodations has not kept pace with improvement in other respects, though it is probable that the outlay in the shape of rent forms at least as large a proportion of the general outgoings now as at an earlier date. The great increase in pauperism since 1866 shows a lamentable want of thrift among the wage-earning classes. May not a deficiency of respectable homes prevent the formation of thrifty habits? What may be termed the moral evidence on the subject is abundantly provided by the reports of Mr. Frazer, Mr. Baker, and Dr. Simon. The statistical evidence is now required, and it is clear that no sufficient data yet exist, on which to ground any satisfactory investigation.

This information might without difficulty be obtained at the census of 1871. There would be no need to go into details so minute as to cause great additional outlay. A strict yet simple definition of a house is not easily arrived at, but without requiring statements which it might be inconvenient to give, much valuable information might be obtained. To inquire whether each family inhabited one, two, or more rooms would be sufficient for the purpose, nor would it be needful to specify any larger number than two. It would be sufficient to assimilate the householder's schedules for England and Wales with those of Scotland, of 1861, on this point.

Should the cost of the investigation be thought a hindrance, I may mention that I understand the expense of the Scotch census of 1861, when this point was first inquired into, was, through careful management, reduced below the cost in 1851.

The desirability of a closer inquiry into the state of house accommodation in this country was noticed both in Mr. Caird's paper, previously referred to, and in that of Mr. Welton. The President in his inaugural address of this session, deprecated, for obvious reasons, any material departure from the precedents of 1851 and 1861. The inquiry now proposed can hardly be objected to on this score; while the information it would afford, might materially assist in diminishing the waste of "energy, intelligence, and life," to which Mr. Newmarch eloquently referred at the close of his paper.



## THE ISTHMIAN CANAL SCHEME.

The latest accounts from the Isthmus of Darien, relative to the progress of the exploring expedition sent out some months since to discover a practicable route for an interoceanic ship canal, are discouraging. Practically, the expedition is a failure. No depression in the Cordilleras had been discovered up to the latest mail dates, and it is probable that, by this time, one or both of the vessels engaged in the work will have left for home. All the information gained by Commander Selfridge goes to show what might have been ascertained from the records of previous surveys, that, owing to the existence of a practically impassible mountain range extending the entire length of the Isthmus south of the line of the Panama Railroad, no canal could be opened between the two oceans.

As our readers will remember, when the scheme of an isthmian canal first assumed a definite form and received the approval of the administration, we gave many excellent reasons why such a work could not be undertaken in any part of the Isthmus with the least prospect of being carried to a successful completion; and among the reasons we assigned were the facts brought out by the survey now completed. The only practicable pass through the mountains is that occupied by the Panama Railroad, under a charter from the Columbian Government, which, grants them the right to its exclusive use, except in case the projectors of a canal through this pass shall properly indemnify them for any damage which the railroad might suffer by the rivalry or competition of the canal; and as the canal would virtually destroy the business of the road, the indemnity awarded would undoubtedly be the present value of the road. But this consideration need not deter capitalists from undertaking the work. Since the opening of trans-continental railroad communication east from San Francisco, the Panama road as a property has suffered materially, and it might now be purchased for a sum much nearer its actual cost than would have been accepted two years ago. Besides, to a company proposing the construction of an interoceanic canal, it would be invaluable. Not only would it give the right of way across the only part of the Isthmus at which a canal could be cut, but its possession would very greatly facilitate the progress of the work—saving from fifty to one hundred millions, at least, in the cost of the canal when completed.

But even with these advantages, the work would not be without very great difficulties which would be likely to prevent private capital from undertaking it, until there was at least the promise of larger profit than could as yet be obtained from a navigable water-way between these two oceans. This difficulty of procuring an adequate supply of efficient laborers is a serious difficulty, and one for which provision should be made at the outset. The experience of those engaged in building the

railroad will be found of much assistance in determining the source from which such a supply could be obtained. A proper consideration of this question will lead us to the important conclusion that the difficulty of procuring and keeping a sufficient force of laborers is, to a great extent, peculiar to Darien—both Nicaragua and Tehuantepec, which have been surveyed at different times with a view to the discovery of practicable canal routes, being more favorably situated in this respect. In Nicaragua a much larger number of natives could be employed on the work than at Darien, while the salubrious and delightful climate of Tehuantepec would attract large numbers of Americans and Europeans who could not be induced to venture even a temporary residence in either Darien or Nicaragua. It must be remembered that the difficulties experienced by the engineers of a canal with regard to labor would be far greater than those encountered in building the railroad, as the work of grading the surface and laying a single track of less than fifty miles in length is a mere trifle as compared with the cutting of a ship canal for that distance. According to trustworthy estimates furnished by those thoroughly acquainted with the topography of the country, and the difficulties of the work, it would require a working force of 15,000 men to build the canal in twenty years, or 20,000 men to build it in fifteen years. To keep the number up to that point at Darien would require the constant addition of recruits, making a total of fully 200,000 men, allowing for the probable sickness, mortality and desertions.

There is another difficulty in the way of making the canal a success which should affect our selection of a route. We refer to the geographical situation of the Isthmus of Darien, it being peculiarly unfavorable, owing to the prevailing calms in the Bay of Panama, which render that port available only for steamers, sailing vessels being often several weeks in working out to sea and into the region of the North and South East trades. Both Tehuantepec and Nicaragua are free from this objection, as they lie north of the Equatorial Calm Belt, and each possesses an especial advantage over Darien in being more readily accessible from the Atlantic, as well as the Pacific side. In fact, many eminent engineers have urged that Nicaragua presents numerous advantages for such an undertaking. The San Juan, a navigable river of ample width for sailing vessels, extends from the Caribbean Sea, at Greytown, to Lake Nicaragua, from which to the Pacific is a distance of less than fifteen miles. The soil is said to be soft, and the surface generally level, and Captain Pym, an accomplished naval officer and engineer, who conducted a survey of this route for the British Government a few years ago, expressed the belief that communication between Lake Nicaragua and the Pacific could be opened without difficulty, and at an expense not exceeding \$20,000,000.

A very important advantage claimed for this route is, that there would be a saving in navigation of from six hundred to a thousand miles for ships on each side of the isthmus, which is a matter worthy of consideration. The distance from all the ports on the Gulf of Mexico, from New Orleans and Galveston, to Sisal, would be reduced six hundred miles by the opening of the canal route by way of Nicaragua, in comparison with Darien. For the Tehuantepec route many important advantages are also claimed, among which is the still greater saving of distance than by way of Nicaragua. A canal across the Isthmus, however, would be not far from two hundred miles in length, and considerable lockage would be necessary to overcome the elevation of the interior stretches of table land, making the estimated cost of such a work about \$325,000,000. The great expense thus involved would probably prevent the acceptance of this route, although the Isthmus of Tehuantepec possesses topographical, geographical and climatic advantages over the other isthmuses. What we have said shows the importance of a thorough survey of all these possible avenues and a comparison of their respective advantages and disadvantages. When the Government shall authorize such a survey, its results, with a fair statement of the traffic likely to pass over the route will furnish the data for correct judgment, as to the feasibility of the undertaking.

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#### FINANCIAL INTEGRITY HERE AND ELSEWHERE.

The press dispatches this month by cable have stated several times that the London *Times* is again making the management of our leading railway corporations the text for publishing a series of articles of considerable severity against what it terms the low state of financial integrity and mercantile honor prevailing in this city. Our readers are well aware that we have frequently spoken in no doubtful terms on this same subject. Nor would we now attempt to excuse in the least the conduct or acts which have thus brought a large class of our securities into disrepute, and in reality tainted all of them. But still, although we are sorry not to be able to make any better reply to these charges, is it not true that we are no worse than our neighbors.

Not only in this city, but throughout the world, men have devoted themselves to the eager pursuit of wealth. With many, to get money, by whatever means present themselves, appears to be sole object of life, and the extent of demoralization which has thus been produced among what we are accustomed to regard as the better elements of society, is truly to be deplored. This is especially the case where men are able to hide their individuality behind a corporate organization. A measure that will be for

the advantage of the management is readily adopted and without a thought of its results upon others, or of the moral questions involved. For these reasons we cannot as stated above defend the general management of railways in this country. The interests of the stockholders have often been and are now not unfrequently wholly sacrificed or neglected to the selfish ends of the directors. But we think the *London Times* asserts what is not true in stating that this city or this country is conspicuous for the perpetration of the wrong to which it refers.

The history of the management of the railways of Great Britain is full of the most atrocious frauds, the less excusable for the reason that her projectors of railways have not had our incongruous element to deal with, and could proceed with more regularity and ease. Within a very few years, many of her leading railway lines, which were paying good dividends, have ceased to do so, their earnings being absorbed in the endless jobberies of directors and managers. In a recent case before the English courts, it appeared that the director of a company who was also a stock broker, purchased shares for the company, paying 95 for them, and turning them in at 98½, thus netting £12,000, besides his commission of £5,000, by the operation. It is to the credit of the English Vice Chancellor that he ordered the £12,000 to be refunded. In another case it appears that a land company sought to recover from a bank and three of its own directors the sum of £5,000, which it was contended had been illegally paid as commission to the bank. It appears that directors of the land company took the sum in question as a bonus for the use of their influence as directors of the bank, to induce it to open an account with the land company. The English Vice Chancellor, in reviewing the case, said that "the facts were more discreditable to the persons engaged in the transaction than probably anything that had before appeared among all the disgraceful transactions which had taken place during the past seven years in regard to limited liability companies." The most atrocious frauds which have lately occupied the attention of the courts of Great Britain were perpetrated when our people were novices in all the devious ways of speculative finances. Our later developments in that direction follow so closely in the line of European precedents that they seem the work of pupils of old masters.

Let us not, therefore, seek to arraign any class or nationality as conspicuous in frauds of this description. But rather let us hope that they are the result of the extraordinary material developments during the past twenty-five years—a sort of sowing of financial wild oats—which time and a less rapid rate of progress will remedy. In the meantime each nation should strive to right itself. Public journals on this side are laboring to do it for the United States, but as we are a borrowing nation, and England is not, we are at a disadvantage.



## ADVICE TO PEOPLE ABOUT TO SPECULATE IN WALL STREET.

When Mr. Punch undertook to give "advice to people about to marry," he doubtless thought of several volumes of wisdom, and was about to spread them before his pupils, when it suddenly occurred to him that all he had to say on the subject, and, indeed, the whole duty of man respecting it, could be summed up in one word; and accordingly, when his article appeared it was shorter than the famous naturalist's chapter on "snakes in Ireland." It was simply, "Don't."

But the consequences were not momentous. The falling off in marriages, in consequence of this impressive advice, was inappreciable, and if we should simply reproduce Mr. Punch's advice, with the heading of this article, it is not likely that the whole or even half of the class addressed would heed it. We must therefore be more specific.

It is a common saying among bankers and brokers, when a "new man" brings his theories and his money into the stock market, that he is come to be fleeced. Every house in Wall street that keeps active speculating accounts, knows well that nine out of ten of its customers lose more than they win, and that more than half of them in the end lose all they have. Most bankers will candidly tell new customers so; and we have heard one experienced broker and speculator urge his clients strongly if they had money to throw away in gambling to take it to a faro bank at once and "fight the tiger," as on the whole a pleasanter and less dangerous way than depositing it with him. In a great many other walks of life there are losses, disappointments and wrecks to be seen on every hand, but there is no other business so thickly strewn as stock-jobbing with impressive illustrations of the old Spanish proverb, "many come for wool who go home shorn."

But these gloomy generalities do not affect the hopeful mind of the confident youth, who has carefully studied out the stock reports in the newspapers, and has concluded that nothing but a little judgment and self control are necessary to make his future. The whole secret of speculating is to buy cheap and sell dear; now what has he to do but to wait until stocks are very low, and buy them? Surely, if he buys only then, he cannot fail to make large profits. In some form or other this notion takes possession of scores of men, and they deposit money and give orders accordingly. Only when a few bitter experiences have taught them the impossibility of applying any general test of "cheapness" or "deariness" to prices, do they begin to understand that the market price at the moment is always the result of the combined judgments of many hundreds of men, applied to the subject with an intensity which only personal interest excites, and with a shrewdness which nothing but long experience can produce. He who would predict the course of prices for a day must needs be wiser than "a multitude of counsellors."

Besides, there are many special reasons why individual speculators can never have an even chance in this game. A candid examination of them will convince any one that his neighbor, at least, ought to let it alone. One of these is the fact of occasional panics in prices, which come sometimes from causes which can be traced afterwards, but sometimes remain hidden always. When they do come, they affect the whole body of speculators. A man can no more retain his cool head and unbiased judgment at such times than he can keep dry in a heavy shower of rain. Such a panic always ruins a number of men; and every one of them will show you that his fortune was made, if only, at the critical moment, he had acted on his own principles; or perhaps if he had not acted at all. But men always do act, in such cases, and always do make mistakes.

Again, the fluctuations in prices are not the results of any one cause, but of many causes acting together. The cheapness or dearness of particular stocks is one of the elements of the problem, which will doubtless be felt in the end; but for the purposes of speculation it is not even the most important of these elements. It would be far more valuable to them to know whether "the managers" of the road in Wall street, its directors, if they are of the common, speculative kind, and if not, the clique of bankers who have nominated them, wish to buy the stock or to sell it. If the managers want the stock, it is pretty sure to put on its worst appearance before the public, and to go down. If they want to sell out, its reports will be of the most glowing and hopeful character, and it will rise. But how is an "outsider" to know what "the managers" really want to do? He may be sure that if he investigates this question he will be misled; for the great gamblers who hold the cards against him are both able and eager to mislead him.

If stock-gambling were in all respects an even game, the final success in it would belong, on the average, to the longest purse. In every class of business the advantage of large capital over small is immense; but where the profits looked for are those of fluctuating values, all the advantages of large capital are exaggerated enormously. When a man deals in stocks "on a margin," let his general views be as sound as possible, he is still limited in his power to wait by the amount of his margin; and many a speculator has entered on a career with sanguine expectations as to prices, only to find that these expectations are far more than realized, indeed, but that he is ruined, simply because they were not realized quite soon enough, and his "margin" gave out on the way. There are games of cards known as "bluff" or "poker," played by the most rash and reckless gamblers, in which a player loses all his stake unless he can keep on increasing it as fast as his adversaries; and many a luckless wight has

been "bluffed" out of his savings on the Stock Exchange in the same way, although his bet was really made on a winning hand. A very large capital is needed, to enable the speculator to "take the chances," and await his harvest time.

But to the herd of "operators" stock-jobbing never can be an even game. These men do not speculate for themselves, but always pay brokers to do it for them. On the supposition that these brokers are always perfectly wise, able and honest, and in all these respects they will bear comparison with any other profession, the "operator" has always against him the commissions he pays for brokerage and interest compounded monthly. It is evident that, in the aggregate, all the commissions of all the brokers, and all the interest accruing, must come out of the pockets of their customers, apart from any sums which these customers may lose to one another, and which do not affect the general result. That is to say, if one man owned all the speculative stock account in the street, so that all his operations would check one another, he would lose, besides the interest account, just the commissions paid on all the business. Each commission alone looks small, and the interest account when money is easy is not very large, but in the aggregate they are enough to support and enrich a large and thriving trade. And it is just because, in the end, every speculator must on the average, lose precisely all he pays for these purposes, that we find so very few exceptional cases in which long accounts show a profit, and that the books of every "commission house" are chiefly a round of losses to the customers.

All these principles have been well illustrated on the Stock Exchange this week. There has been of late a general disposition to expect a large advance in prices. Hundreds of persons whose business is elsewhere, have been into Wall street to buy stocks on speculation with immense amounts of idle capital seeking investment, and with large financial schemes for railroad consolidation and paper dividends devised in various parts of the country, there was a prospect, it was claimed, of such an inflation of stocks as has not been seen since the famous bubble of April 1864. Now all this is changed; the sanguine speculators are few; many have sold out at a loss and disappeared, while others are hesitating and doubting of the future, and ready to be panic-struck on a slight provocation. And what has happened to produce the change? Nothing whatever, except that an unfortunate speculator, who had gone beyond his depth, has failed in attempting to make good his retreat. This man, indeed, has had an experience second in extent to none; and all who have known him declare that his abilities are extraordinary. His general views of late have accorded with the general course of the market. Surely this combination of advantages ought to insure success, if success could be

insured in such a career, His utter and deplorable failure, involving friends with him, ought to be enough to warn many from undertaking, with a small part of his great resources, that which he could not accomplish.

But this is not all. The mere fact that this man's stocks were sold out on Thursday, on account of his losses in gold, changed the whole tone of the stock market, from firmness to weakness, from buoyancy to despondency. Nothing could show in a stronger light the unreality of the business than this fact; and every man who embarks his future in the treacherous ventures of the stock market ought to know that he is subjecting himself to defeat and loss, as the results of trifles which no human foresight can avoid, and which, in any other business, would not be regarded as worthy of a moment's attention in the study of its prospects.

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#### THE CURRENCY SCHEME OF THE HOUSE OF REPRESENTATIVES.

The bill of Mr. Garfield, which was passed by the House of Representatives, has attracted an unusual amount of discussion, and has been interpreted in a singular variety of ways. As finally amended and adopted by the House, it provides for the creation of new national banks in the states which now have less than their proportion of banking capital, sufficient to add \$95,000,000 to the present national currency; for the removal of banks to the amount of \$25,000,000 of currency from states which now have excessive amounts to those which have less; and for the withdrawal by redemption of the three per cent treasury certificates, now payable on demand, to the amount of \$45,000,000, as the new currency is issued.

The question which has seemed to divide the public, and Congress itself, in respect to this bill is whether, if it should become a law, its effect, on the whole, would be to inflate the currency of the country or to contract it. Some wild and curious reasoning has been offered to show that it is actually a measure of contraction, and would have the same result as the direct withdrawal of many millions of greenbacks from circulation. But there is no real difficulty in understanding what the bill aims to do; and every one who examines it candidly must perceive that Mr. Garfield, its author, knew what he was doing when he declared in the House of Representatives that the one objection to his measure was that it expanded the currency. This remark was made, indeed, before the adoption of Mr. Judd's amendment, and when the bill still contained a clause which provided for the withdrawal of forty millions of dollars in greenbacks, besides the three per cent certificates. But this clause was struck out,



leaving the bill not only as strong an inflation measure as it was before, but as much stronger as if the amount of new currency contemplated by it had been increased by forty millions of dollars.

The practical effect of the measure would be as follows. New banks would be created, in the remote and sparsely settled parts of the country, and national currency issued to them in exchange for the pledge of United States bonds. As this currency is issued an equal amount of the three per cent certificates would be redeemed until they had all been withdrawn; and after that the national bank notes would be issued continuously without any compensating withdrawal of other currency. Now it is said by some that this redemption of the three per cent certificates now held as reserve by the banks would seriously embarrass them and produce a pressure in the money market, which would last at least until the new currency could find its way to New York. On the other hand the reserve of greenbacks required to be held by the new banks would be at least fifteen per cent upon the whole \$95,000,000 of new circulation, or \$14,250,000; and the reserve on their deposits must be at least twice as much more, and the drain of that amount of greenbacks from the money centres of the country into the vaults of these banks would produce, it is claimed, a most severe spasm, until the currents of trade could adjust themselves to the new arrangements.

There is enough foundation for these criticisms to justify the apprehension that if the whole or any very great number of the new banks were organized, their currency issued and their line of deposits fully started during the autumn, or at any time when commercial causes produce a drain of currency from the business centres to the country, there might be a serious temporary disturbance in the money market. But even this prospect of disturbance, which is not contraction nor anything like it, has been much exaggerated. In the first place, the whole amount of the three per cent certificates held by the banks even in this city, where most of them are held, is less than the excess of their entire reserve above the minimum required by the law. If, therefore, the treasury should take up every one of these certificates, and give nothing for them, the banks of this city could surrender all they have, and still retain far more than the legal standard of reserve. But it must be remembered that the treasury can only redeem these certificates by paying for them in greenbacks. It will have to obtain part of the greenbacks, indeed from the market, either by sales of gold, or by suspending purchases of bonds; but the banks will lose nothing by the very gradual process of paying a few notes to the treasury and receiving many more back again; but will be left by it stronger than before.

Again, the amount of greenbacks required for the reserve of the new

banks is much exaggerated. This is a point but little understood, and requires illustration. The reserve of country banks, such as it is proposed to organize under this bill, consists of fifteen per cent of all their demand liabilities, to be held by them in greenbacks. But this requirement is only nominal, since the law itself permits these banks to hold three-fifths of their reserve in the form of deposits in the banks of any large city; and the banks of the large cities to hold half of their reserve in the same form in New York. For example, the Bank of Little Peddlington has a circulation of \$250,000 and deposits of \$750,000, in all \$1,000,000; against which it must hold a reserve of 15 per cent, or \$150,000. But it has on hand \$50,000 in gold, held as a sort of insurance fund against a large rise in the premium, and therefore needs only to keep on hand \$50,000 in legal tenders, and to have a book credit in a Cincinnati bank of \$50,000, on which it receives five per cent interest. But this credit or deposit is one of the liabilities of the Cincinnati bank, against which it must hold 25 per cent of reserve, or \$37,500; and the considerate law again allows half of this to lie in New York, in the form of a deposit, on which three or four per cent interest is paid. Against this balance of \$18,850, the New York bank must have a reserve of 25 per cent or \$4,687.50, which may consist, on a fair average, of one-fifth gold, two-fifths three per cent certificates, and two-fifths, or \$1,875 in greenbacks.

Now consider what this little sum of \$1,875 in greenbacks, in the vault of a New York bank actually represents. It is the working two-fifths of the reserve actually held by the bank to represent a balance of just ten times its amount, due to a bank in Cincinnati; and this balance is held by the latter bank as its reserve against a balance of four times its amount due to Little Peddlington Bank; and this Cincinnati balance is held by the latter bank as its reserve against three-fifths of all its liabilities, or \$600,000. This very respectable sum of more than half a million in bank credit all rests, like an inverted pyramid, upon that little sum of \$1,875 in the New York bank.

It is evident, therefore, that we must not expect any such sum in greenbacks as fifteen per cent upon the liabilities of the new banks to be withdrawn from the markets to be their reserve. The amount these banks are really required to hold is but two-fifths of fifteen per cent, or just six per cent of their demand debts, and six per cent of the \$95,000,000 of new bank notes will be but \$5,700,000. The rest of their reserve will be in the large cities in the form of balances, secured by a sub-reserve of twenty-five per cent, or \$2,137,500, in the form of deposits in New York; and these secured again, by what may be called a hypo-sub-reserve of twenty-five per cent, or \$534,375, in greenbacks or coin, in the vaults of the New York banks. If, therefore, every one of the new banks was

created in a week, the whole amount of legal tender money necessary to make their reserves against their circulation complete would be \$6,234,375, much less than one-fourth of the excess above the reserve required by law, now held by the New York city banks. If we suppose the new banks immediately to come into possession of deposits to the amount of \$100,000,000, the additional sum in greenbacks practically necessary for a reserve against these would be \$6,562,500 more, so that the banks in question can never draw from all the markets so much as thirteen millions of legal tender money until they shall have added \$95,000,000 to the circulating currency, and more than \$100,000,000 to the book credits or deposits; and, apart entirely from the effect of the deposits on inflation, the bill would amount in the end to an expansion of the currency precisely as if \$82,000,000 of new greenbacks had been put in circulation instead of the \$95,000,000 bank notes.

But the effect would be, in some respects, worse than that of direct government issues of currency; for these bank notes are liable to become an element of special danger in a crisis, such as may very possibly come upon the banks and private credit throughout the country. As the extension of the banking system increases the demand for greenbacks and the supply of bank notes, the danger of a discrimination between them in time of pressure is heightened; and it ought to be borne in mind that the establishment of such a discrimination would put an end to the banks, for it would drive their notes home by wholesale for redemption. There is now no prospect of such an occurrence, but a suspension of greenback payments does not look more distant now than a suspension of gold payment did in 1860; and there is at least this additional possibility in the former case, that any pressure for gold could always be relieved by importations in a month, while there is no power whatever in the laws of trade to increase the supply of greenbacks in the country, under whatever demand may arise. Of course a general suspension of the banks is an extremely improbable event; but it seems inevitable that every increase of proportion which the bank notes bear to the legal tender money of the country must have its effect, at certain times and places, in giving rise to difficulties and embarrassments, which a wise currency system, regulating itself under financial laws, would never experience.

But there is literally no end to the absurd or inconvenient consequences to which we are led by supposing such a bill as this to be the law of the land. If we had an effective system of redemption, by which every bank in the country would be checked in its inflating tendencies by the constant expectation of the return of its notes to its own counter, the authorization of new banks would do little harm, for they would only arise when trade should demand their existence. But until some such system is put

in practice, the smallest increase of the circulating money of the country would be a blow struck at the national credit, and a new obstacle put in the way of a return to specie payments. We look with great confidence to the Senate to protect the country from the unfortunate results of such a law as this.

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#### PRESIDENT GRANT AND CUBA.

We cannot agree with those who think that the Cuban message, which the President addressed to Congress on Wednesday last, was either ill-timed or in any way offensive. On the contrary it strikes us as being simply a proper and timely discharge of the duty which is imposed by the Constitution upon the Chief Executive, to communicate to Congress, from time to time, information of public affairs, and his views respecting the proper mode of dealing with them. The Administration had adopted a certain policy with regard to Cuba, the continuance of which it considered to be of the highest importance for the well being of the country. The House Committee allow it to be announced that they are about to urge the passage of a resolution directly opposing that policy—in fact, a vote of censure upon the President and his advisers. At this juncture the message is sent in, and appears to be a simple, fair and forcible vindication of the Administration in the present instance, and is, we believe, acceptable to the large body of candid, intelligent conservative thinkers.

The so called revolutionary movement in Cuba has scarcely exceeded in character and efficiency the Fenian demonstration against Great Britain. We doubt, indeed, if the Cubans have ever raised as much money, or put as many men in the field as have the Fenians. And, if the later expositions of Greek Brigandage are to be credited, that excrecence has far more political significance than the Cuban "Revolution" can claim.

Our own position strongly demands prudence in the conduct of our foreign relations. Glowing rhetoric, which represents us a pillar of light to other nations, and the hope of the oppressed in all climes, however agreeable to the ear, should obtain no hold upon the judgment. We have but just emerged from a gigantic and prolonged civil war, whose debris—political, social, industrial, and financial—still encumbers our action, and admonishes us that the flippancy with which, in former years, we were accustomed to discuss our attitude towards insurrectionary proceedings in other countries, is no longer tolerable, as it was never wise nor dignified.

The extent of the "sympathy" of the people of the United States with this insurrection is greatly exaggerated. The condition of those Southern American States, which have thrown off the rule of the home government, is not such as to cause any great anxiety to see Cuba undergo a similar



process. Besides as stated we are busy binding up our own wounds; we have reduced our army and navy to a peace basis; we are paying off our public debt; and we are in no mood to reverse all this great and good work to promote the schemes of hair-brained enthusiasts and chronic filibusters.

The inconvenience, expense, and often severe loss, which may follow the accord of beligerent rights to the insurrectionary Cubans, are well stated by the President, and can scarcely be exaggerated. All our vessels trading with the West Indies, with the Bermudas, with Panama, Central America and Mexico, and even with Gulf ports of the United States, would be liable to seizure, search and detention. With no fault of managers or officers, but through treachery or accident, a Panama steamer would be liable to be captured, taken into a Spanish port, and, with its passengers, detained for months, many losing their lives from the insalubrious climate, and the cargo damaged or irretrievably ruined by the delay. Are we prepared for all this? May we not, rather, with more safety, and with no loss of national honor, adhere steadfastly to the established policy of the Republic, confident that those who would really be free, themselves will strike the blow?

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#### RAILROAD EARNINGS IN MAY, AND FROM JAN. 1 TO JUNE 1.

As the year progresses the reports from our principal lines of railway show a favorable condition of traffic, compared with the same period in 1869. It will be observed in the table of earnings for May, presented below, that most of the prominent roads show a decided increase in their earnings compared with the same month of last year. The month has, indeed, been quite propitious for a large railroad traffic. The higher price of breadstuffs has stimulated the movement of grain at the West; progress in railroad construction in most of the Western States increases the activity of business in those localities, and adds an important item to the freight traffic of the leading lines, while the passenger business is probably larger than in previous years, from the marked attention which has recently been given to dealings in railroad lands; from the large immigration, and from the great increase in travellers for pleasure.

A number of changes have taken place in the list of roads reporting their earnings, within the past year. Several of the old favorites, as the Lake Shore and Michigan Southern and the Fort Wayne Companies have disappeared, and in their place we find new roads, as the North Missouri, Pacific of Missouri, St. Louis and Iron Mountain, Kansas Pacific, &c., whose stocks are hardly known at the Exchange, but which are daily becoming of more importance as leading lines in the West.

A number of the reports here given are not published elsewhere and have been obtained through the courtesy of officers of the respective companies, to whom we are indebted for being thus able to present the most complete list of railroad earnings which can be compiled under the prevailing system of secrecy in corporate management.

## EARNINGS FOR MAY.

	1870.	1869.	Inc.	Dec.
Central Pacific.....	\$761,285	\$.....	\$.....	\$.....
Chicago and Alton.....	385,044	345,583	49,311	.....
Chicago & Northwestern.....	1,212,031	1,269,934	.....	57,853
Chicago, Rock Island & Pacific.....	507,900	419,173	88,727	.....
Clev., Col. Cin. & Indianapolis.....	260,169	241,456	18,713	.....
Illinois Central.....	695,253	640,974	54,278	.....
Kansas Pacific.....	341,737	223,163	119,574	.....
Marietta & Cincinnati.....	110,213	111,053	.....	830
Michigan Central.....	406,283	408,646	2,637	.....
Milwaukee & St. Paul.....	730,700	690,844	99,856	.....
North Missouri.....	259,000	139,000	120,000	.....
Ohio & Mississippi.....	246,246	218,639	27,627	.....
Pacific of Missouri.....	283,000	264,273	18,727	.....
St. Louis, Alton & Terre Haute.....	155,081	157,397	.....	2,316
St. Louis and Iron Mountain.....	115,174	72,049	43,125	.....
Toledo, Wabash & Western.....	340,893	312,589	28,303	.....
Total.....	\$6,820,073	\$5,449,002	\$670,778	\$60,980

For the five months of the year which have now elapsed the roads, as a general rule, show a fair increase of earnings compared with the same time in 1869, and for the future their prospects would seem to be very good, from the several causes remarked upon above as having influenced to a greater or less extent the earnings in May. The condition of the country is prosperous; the crops are in excellent condition, and the various conditions upon which railroad business depends are apparently such as to decidedly favor the anticipation of earnings fully equal to those of the year 1869:

## EARNINGS FROM JANUARY 1 TO JUNE 1.

	1870.	1869.	Inc.	Dec.
Chicago & Alton.....	\$1,691,966	\$1,717,808	.....	\$25,942
Chicago & Northwestern.....	4,521,518	5,225,693	.....	704,175
Chicago & Rock Island.....	2,155,900	2,089,131	66,769	.....
Cleveland, Col., Cin. & Indianapolis.....	1,170,476	1,113,979	56,497	.....
Kansas Pacific.....	1,238,848	793,235	445,563	.....
Illinois Central.....	3,255,176	3,101,452	154,123	.....
Marietta & Cincinnati.....	506,390	514,300	.....	8,010
Michigan Central.....	1,865,862	1,901,742	.....	40,880
Milwaukee & St. Paul.....	2,329,827	2,295,446	34,381	.....
North Missouri.....	1,176,959	639,095	537,864	.....
Ohio & Mississippi.....	1,185,266	1,050,953	134,333	.....
Pacific of Missouri.....	1,318,919	1,238,235	80,684	.....
St. Louis, Alton & Terre Haute.....	810,824	765,654	45,170	.....
Toledo, Wabash & Western.....	1,523,534	1,491,651	31,883	.....
Total.....	\$24,731,135	\$23,943,024	\$1,587,167	\$779,608

## THE SPANISH CROWN.

The Sub-Treasury in New York is not the only great public office in the world which is now going about begging in vain for some fit man to occupy it. The throne of Spain, supposed in former years to have been one of the most luxuriously comfortable arm-chairs upon the planet, is

not only vacant but five or six rich princes with long pedigrees and nothing to do have politely but firmly declined the invitation to sit down upon it. This seems at first sight to be a very singular phenomenon. Even republican citizens are not always so perfectly contented with the power of voting and of earning a livelihood as not to have thought occasionally that a man born to be king has a nice plum from fortune, and the power of doing the whole voting for a great nation, and of having a splendid livelihood earned for him would be really enviable. But how a person educated in kingly traditions, every drop of whose blood moves in the faith that monarchs rule by divine right, and all of whose enjoyments and luxuries are precisely those which can only be increased and assured by the added dignity of royalty, can refuse the anointing when ready for him, and let the sceptre fall ungrasped when it is held out within his reach is not easy to comprehend.

Yet a little study of the present condition of Spain throws much light on the problem. The old fable of the spider and the fly has been read understandingly by Marshal Serrano and the Duke of Victoria, by Ex-King Ferdinand of Portugal for himself, and by King Victor Emmanuel of Italy for his son. The government of Spain has the prettiest little parlor in the world, all built of marble, with guards on black horses at the gates, and a remarkably handsome span of pet donkeys ready with their satin-lined phaeton before the door; but General Prim certainly looks too much like a spider in his invitations to the gay bluebottles of royalty to seem very charming.

Consider what the position of a king of Spain would be at this time. Having been raised to his place by General Prim, at the head of the army, he could only be supported there by the same power. He must be merely an instrument in the hands of that commander, and yet must take the public and official responsibility for the government. Prim would doubtless use him just as the monkey of Esop used the kitten, to pull his own chestnuts out of the fire. If any perilous measures were undertaken, the king must carry it out; and if then the whole fabric of the state should be shaken by it, Prim could quietly throw the whole burden on the King, and suppress him, disowning his acts; and then look out for another monarch. On the other hand, if the army should at any time find another leader, and break away from the ambitious general-in-chief, or if he should in any way lose his power to enforce his will in the provinces, the king would fall with him, and would have to fall with dignity and perhaps into his grave, while Prim could quietly slip away to his old home in London, and await another opportunity. In any event, the man who should undertake to be a figure-head for the present government of Spain would find himself a partner in a most hazar-

dous speculation, the basis of the agreement being that all the profits should go to the other member, and all the losses to himself. Even the private state of a retired king, or the comfort of an idle gentleman of title, seems preferable to this.

But even if a king is secured, were he the best—that is, the most respectable and harmless king in the world—the present prospects of the government of Spain are anything but brilliant. The condition of the nation is as nearly as possible that which prevailed in Israel before there was a king there, when “every man did that which was right in his own eyes.” Even in the neighborhood of Gibraltar, where British influence is strongest, civil order is not preserved. An intelligent correspondent of the *Pall Mall Gazette* writes :

“The whole country round here is in a most unsettled state—I had almost said in a state of anarchy. The pay of the soldiers, and even of the ‘Guardia Civil,’ (the men on whose vigilance, fidelity and morale the quiet and well-being of the country depend), is months in arrears. The contrabandistas, many of them reclaimed brigands, are said to be rapidly taking to their old trade again, and we hear on all sides so many reports of outrages, assaults, and attempts at brigandage, that we have become rather cautious in our walks abroad.”

And affairs are much worse than this in some parts of the kingdom. It is admitted on all sides that there is nothing which affords even the nucleus of a government except the army; and that nothing holds the army together except the personal ascendancy, which may be temporary, of Marshal Prim. Meanwhile, the agents and friends of the Bourbon queen Isabella are busy alienating soldiers and people from the present military despotism, and preparing the way for an effort by which, at any time, the whole peninsula may be plunged again into civil war. None but those who have seen the squalid peasantry of Spain, with their barbarous ignorance of the arts of civilized life, their narrow minds and groveling superstitions, their delight in rags and filth, and their utter incapacity for industry or for an earnest, hopeful purpose, can appreciate the want of a strong, liberal government. At present the wealth of the nation is in a few hands and is rapidly taking flight to other lands; and the people at large, in every aspect, whether economical, political or intellectual, possess the most pitiable remains of their glorious past, and the most unpromising prospect for the future, of any nation in Europe.

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#### OUR FOREIGN TRADE.

The Bureau of Statistics have just published a statement of the value of goods exported from the United States and imported into them, for the first eight months of the present fiscal year; the period for which



the accounts are made up ending February 28th. The following table gives the aggregates, as compared with those for the corresponding period in the previous year :

## TOTAL EXPORTS OF DOMESTIC PRODUCE, EXCLUSIVE OF SPECIE.

	July 1, 1869, to Feb. 28, 1870.	July 1, 1868, to Feb. 28, 1869.
Cotton .....	\$186,708,952	\$95,008,446
Tobacco .....	17,334,970	14,190,638
Petroleum .....	20,991,942	20,060,324
Breadstuffs .....	54,743,820	35,674,256
Provisions .....	21,029,829	19,198,693
Wood and wooden-ware .....	8,530,944	10,144,197
Other exports .....	38,803,446	33,455,952
Total in currency .....	\$293,146,903	\$231,732,432
Equivalent in gold to .....	\$239,033,983	\$171,907,751

From the same source has been received by telegraph during the past week, the totals showing the foreign movement, including one month later, being the first nine months of the fiscal year which show the following result :

## FOREIGN TRADE, UNITED STATES—NINE MONTHS.

Imported Foreign Goods .....	\$312,951,768
Re-exported, out of Bond, &c. ....	11,930,800
Total, as for United States markets .....	\$301,020,968
Goods in Bond, June 30, 1869 .....	\$62,427,590
Goods in Bond, March 31, 1870 .....	51,491,252— 10,936,339
Foreign Goods taken for consumption .....	\$311,957,306
Exported in Domestic Produce, gold value .....	282,709,614
Balance .....	\$29,247,692
Exported in Domestic Bullion, &c. ....	\$39,188,584
In Foreign Bullion, &c. ....	11,561,551
Together .....	\$40,750,135
Less Foreign Imported .....	20,352,567
Net outgo of Specie. ....	20,347,569
Apparent balance against United States .....	\$8,900,124

## COMPARISON WITH PREVIOUS YEAR—NINE MONTHS.

	1870. July 1 to March 31.	1869. July 1 to March 31.
Goods for consumption .....	\$311,957,206	\$288,664,423
Produce exported .....	282,706,614	192,238,589
Balance, exclusive of specie .....	\$29,247,392	\$96,425,735
Net outgo of specie .....	20,347,568	30,654,151
Apparent balance .....	\$8,900,124	\$65,771,584

The above shows that the total nominal balance of trade against the United States, for the first nine months, was for 1870, \$8,900,124, 1869, \$65,771,584, which was settled by shipments of national bonds, or other forms of indebtedness. It thus appears that the nation was increasing its

foreign debt last year, from commercial causes at the rate of \$87,695,445 per annum; and has this year increased it at the rate of only \$11,866,832 per annum.

But even this rate of increase, if the present indications in the market can be trusted, is not likely long to be maintained. The demand for breadstuffs in Europe is increasing, and the prospect is that there will be a market then for our entire surplus, at prices not below those of last year. Two weeks ago we estimated that the exports of cotton, breadstuffs and tobacco for the next three months could scarcely fail to exceed those of last year by at least \$19,000,000 in gold value; and we can see on reason to suppose that this was not a low estimate. If it be justified by events, it is fair to infer that the net result of the foreign trade of this country for the current year will leave an insignificant balance against us, or possibly none whatever, to be settled by increasing our indebtedness to Europe.

The most gratifying feature in this exhibit is that it is not the product of exceptional circumstances, but grows out of the natural development of our national resources and of the gradual restoration of trade to its normal condition. No war has made havoc in Europe, the work of which we are called on to supply; no famine has produced distress, by relieving which we obtain high prices for food. But the goods we export are those which we can furnish to Europe cheaper and better than they can be produced there, and our ability to do so grows more rapidly than our need of the equivalents we receive in exchange. There is then a reasonable prospect that the unfavorable conditions of our foreign trade, which have so long seemed dangerous to the country, are passing away, and that the time is coming when, if our national credit be improved by wise administration, we shall no longer need to borrow at high usury the capital of older countries to meet our temporary wants, but shall find the owners of that capital much more eager to send it to us for fairly remunerative employment than we are to receive it.

At the same time it must be remembered that the financial future is governed by many considerations, of which this gratifying improvement in foreign trade is but one. Already our debt in Europe is large, and the interest on it, which is omitted from the statistics of trade, can scarcely be estimated at less than seventy-five millions of dollars per annum. This sum is now added to our foreign indebtedness every year, apart from the balance of payments upon the exchanges of commodities, and the dependence of our national credit and our money markets upon the demand for our securities in Europe cannot be entirely destroyed until our exports of domestic produce shall very largely exceed our commercial imports. There is no prospect that this will take place during the

present generation; so that it will long remain a prime condition of the undisturbed prosperity of trade in this country, that it shall be a favorite place for the permanent investment of foreign capital; and, above all, that our national bonds shall be honorably maintained as a security of the first class in unquestioned credit. Even the immediate future of the market for foreign exchange will frequently depend, as it does now, upon the question whether our creditors in Europe prefer to accept cash or bonds for their remittances.

### TOBACCO—PRESENT AND FUTURE.

Probably the important staple of tobacco has not in many years occupied a position attended with so many uncertainties as now, both with regard to prices and the future demand at home and abroad. The natural effect of reduced production, such as we have had the past season, is of course to enhance prices; but how high the tobacco quotations can be carried without so far curtailing consumption as to compensate for the diminished supply, is a question upon which, during the next few months, some new light may be thrown. A fair estimate of the crops of tobacco which are now in process of being marketed, are about as follows:

Hhds.	1868-9.	1869-70.
Virginia.....	47,000	28,000
Maryland.....	30,000	25,000
Ohio.....	16,000	16,000
Kentucky.....	80,000	65,000
Other Western.....	20,000	23,000
Total hhds.....	213,000	167,000
Cases.		
Connecticut and Massachusetts.....	31,000	30,000
New York.....	50,000	60,000
Pennsylvania.....	7,000	12,000
Ohio and Western.....	14,000	20,000
	57,000	68,000

Here we see a falling off in Kentucky, &c., of 44,000 hhds., with an increase of 11,000 cases. Let us see how these facts have affected the movement at the various Atlantic markets. The exports from this port (mainly new crop) from Jan. 1 to date, as compared with last year, have been as follows:

Hhds.	1869.	1870.
.....	22,000	14,000
Cases.....	12,000	4,200

The exports of hhds. from Baltimore from Jan. 1 to about the middle of June were 9,200 hhds., against 14,900 hhds. for the corresponding

period last year. From New Orleans there is an increase in the exports since the 1st of September last of nearly one thousand hhds.; but this is to be explained by the fact that the proportion of the Kentucky product seeking that market is now greater than in previous years since the war—the receipts at New Orleans since Sept. 1 having been 18,000 hhds. against 14,000 hhds. for the corresponding period of 1868-69, an excess of 4,000 hhds. received and only 1,000 hhds. exported, resulting in the stock on hand being raised to the very liberal figure of 9,100 hhds.

It will thus be seen from these statistics for the three great tobacco shipping ports of the United States that there has already been a falling off in the exports of about 12,800 hhds to compensate for a diminution in the crop of 44,000 hhds, and the export of cases from New York alone are 7,800 less, notwithstanding an increase of 11,000 cases in the growth. The total shipments thus far are 34,900 hhds. against 47,500 hhds. in the corresponding period of last year—a decrease of about 28 per cent; while the growth has been 169,000 hhds. against 213,000 hhds. last year—a decrease of only about 20 per cent. It is reasonable to presume that domestic consumption has also been effected by the enhanced cost, to exhibit the precise extent of the upward movement in prices during the year we append quotations for light leaf, in currency, for June 1869 and 1870, with the premium for gold at the first of the month:

	June 1869.	June 1870.
Common frosted lugs.....	.....	7 @ 7½c.
Partly frosted lugs.....	.....	7½ @ 7½
Sour lugs.....	8 @ 8½ c.	8 @ 8½
Low leaf.....	8½ @ 9½	9 @ 9½
Medium leaf.....	10 @ 11	10 @ 11
Good to fine leaf.....	11½ @ 13	11½ @ 13
Selections.....	14 @ 15	13½ @ 14
Gold .....	139½	114½

We have an instance, in the return of 1,727 cases of seed leaf from Germany this Spring, of that reversal of the usual course of trade which has been illustrated heretofore in Breadstuffs, Cotton and other staples, when prices were excessively high. The above few facts should not be lost sight of by those most interested in them. They certainly suggest caution among buyers and the avoidance of extreme views by holders, as the only means of preventing serious complications in the future.

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**COUPONS PAYABLE.**—The Comptroller of New York will pay the principal of the State Canal Loan of 1853, due the 1st of July, 1870, in gold coin, at the Manhattan Company's bank in this city, on July 1st next. The amount is \$700,000. The July interest on all the other Canal five and six per cents will be paid at the same time and place in gold.



# GEORGIA RAILROAD AND BANKING COMPANY.

The report for the year ending April 1, 1870, shows:

In gross receipts.....	\$1,552,029 55
Charged with expenses, ordinary and extraordinary, and all other payments for and on account of the road.....	1,029,925 55
Net from road earnings, after all payments for or on account of road.....	\$349,104 10
The profits of the Company, gross and net, from all sources, may be stated thus:	
Gross earnings of road.....	\$1,352,029 55
Dividend on stocks, interest, rent, &c.....	88,740 19
Earnings of bank.....	20,414 11
Gross earnings and receipts from all sources.....	\$1,456,183 85
Charged with road expenses and expenditures on account of road.....	\$1,029,925 55
Bank expenses, taxes, &c.....	9,724 33
Bank in liquidation, (circulation redeemed).....	14,547 25
Net from all sources.....	\$418,996 72
From this 2 dividends have been declared of 4 per cent., free of taxes.....	349,104 00
To credit of profit and loss account.....	\$79,892 72

The President remarks: "It is particularly fortunate for the stockholders that the Company has had a very prosperous year's business, when the interest of the stockholders most required it. A more rapid progress in the restoration of property is rendered easy without an increase of debt, or any interference with fair dividends. The supply of new iron was suspended during the war, and the rolling stock was greatly reduced, and in fact, almost annihilated. The rolling stock is still very deficient, and the entire main track of road should be re-ironed with convenient dispatch. Hence the stockholders will doubtless approve the orders for an increased purchase of new iron, and the addition to our stock of cars, referred to by the Superintendent. Heavy expenditures have been made on the main line track, since the war, and it is believed to be entirely safe, but it is the present policy to re-lay the whole line with the same pattern of heavy T rail, with a fish-barfastening. The work is in progress, and it is hoped there will be no occasion to interrupt or delay it.

It is always true economy, for obvious reasons, to have a first-class road in every respect, and a full and perfect outfit, when the means of the company will afford it. Not only is more business secured, but the business done with more safety and economy."

There are evils which beset this interest, as a productive property, which are not very encouraging, and—

First may be noticed the crushing taxation to which it is subjected.

1. A tax of 2½ per cent on the gross receipts from passengers.
2. A tax of 5 per cent on the cost of all engines, cars, tools and other equipment, with additional excise and tariff charges on their component parts.
3. Under these burdens, if they have any net income, there is a tax of 5 per cent on that, before any of it can go into the pockets of the stockholders. All this, too, is independent of the State and county tax, which in some of the States is equally onerous.

Second—The dead head abuse is rapidly growing, and is becoming an intolerable nuisance, and unless it can be checked, must, in the end, destroy the value of this kind of property!

Third—Another trouble that besets railroads, especially at the South, and since the war, is the demoralized state of society in some localities, and the great number of frivolous and vexatious suits stirred up against them, with the hope of profiting by the prejudices against corporations. It is only just to say, however, that the unreasonable expectations of parties are not always satisfied, but in the most favorable result, the expenses of litigation are heavy.

The General Superintendent reports the earnings of the road to have been as follows:

From Passenger Receipts.....	\$399,689
Freight Receipts.....	931,302
Mail Receipts.....	21,337
<b>Gross Earnings.....</b>	<b>\$1,352,029</b>
For Conducting Transportation.....	\$192,149
Motive Power.....	26,584
Maintenance of Way.....	253,137
Maintenance of Cars.....	44,310—\$743,111
<b>Earnings over and above Ordinary Expenses.....</b>	<b>\$603,917</b>

## EXTRAORDINARY EXPENSES.

Renewing Locomotive Engines (not ordinary repairs).....	\$33,078
New Cars and rebuilding Cars (not ordinary repairs).....	59,415
Government tax on gross Receipts.....	10,527—\$102,020

Net Income..... \$501,597

These results compare with similar ones for the fiscal year ending March 31st, 1869, as follows:

	1868-'69.	1869-'70.	
Receipts.....	\$1,104,521	\$1,352,029	Increase \$247,508
Expenses and Payments, ordinary and extraordinary.....	886,167	1,004,925	Increase 118,758
			Increase net Income, \$90,750

The increasing prosperity of the company, as shown by the foregoing statement, is highly pleasing to the officers, and I trust will be entirely satisfactory to the stockholders.

Increase of gross earnings, \$247,508 51, for the year just closed, over the one ending 31st March, 1869.

Again, comparing the gross earnings of your road for the years 1859 and '60, and 1869 and '70, the fiscal year just preceding the war, and the one just closed, the former showing the largest receipts of any year previous to the war, and we have the following result:

	1859-'60.	1869-'70.	Decrease.	Increase.
From Passage.....	\$412,307	\$399,689	\$12,618	
Freight.....	703,876	931,302		\$228,926
Mail.....	44,508	21,037	23,466	
			35,084	228,926
				26,084

Increase in favor of year 1869-'70..... \$192,841

This result is reached notwithstanding the fact that, during the year 1859 and '60, there was transported over your road 210,774 bales of cotton, as against 138,567 for the last year.

Condensed statement of the condition of the Georgia Railroad and Banking Company on the 31st of March, 1870, the end of the financial year.

## DR.

The road and its outfit.....	\$4,156,000
Real estate.....	114,828
Banking house and lot.....	35,000
Road expenses and expenditures for the road.....	\$95,176
Incidental expenses and salaries.....	12,379
Interest on bonds.....	41,743
Tax to State of Georgia.....	1,341
United States tax on Dividend No. 51.....	7,796
United States tax on Dividend No. 52.....	8,000—\$1,066,336
Materials on hand for road.....	98,449
Stock of various companies.....	1,103,584
Bonds of companies, cities, &c.....	79,401
Discounted notes.....	1,747
Assessment on stock.....	207
Bills receivable.....	16,164
Due by other corporations.....	23,115
Notes of banks in Augusta.....	194,591
Cash.....	223,409
<b>Total.....</b>	<b>\$7,103,214</b>

OR.		
Capital stock.....		\$4,176,000
Profit and loss.....	\$629,144	
Income from railroad.....	1,423,413	
Transportation of the mails.....	21,878	
Dividends on stock.....	71,187	
Interest, premium and discount accounts.....	12,502	
Rent account.....	50	\$2,170,075
Bonds of the Company.....		615,500
Dividends unpaid.....		43,542
Due to other corporations and agents.....		15,713
United States tax retained on coupons paid.....		1,195
Deposits.....		3,689
Circulation.....		96,147
Total.....		\$7,102,214

### STATEMENT OF THE BONDED DEBT OF THE STATE OF LOUISIANA DUE IN 1870, AND AMOUNT OF INTEREST DUE.

The following statement of the bonded debt of the state of Louisiana is taken from the New Orleans *Bulletin* :

No. of bonds.	Am't \$1,000	Total amount of bond.	FOR WHAT PURPOSE ISSUED.	When due.	Rate Interest.	Am't of Int're't
86	1,000	86,000	Purchase of ground for the Charity Hospital.....	1872	5 per cent	\$4,376
1,500	500	750,000	Relief of the State Treasury (a)...	1893	6 per cent	45,000
461	1,000	461,000	To aid in the construction of the New Orleans and Nashville Railroad (b).....	1887	6 per cent	27,000
884	1,000	884,000	To aid in the construction of the New Orleans, Jackson and Great Northern Railroad (c)...	'93-'93	6 per cent	51,000
650	1,000	650,000	To aid in the construction of the New Orleans, Opelousas and Great Western Railroad (d)...	'93-'01	6 per cent	39,000
298	1,000	298,000	To aid in the construction of the Vicksburg, Shreveport and Texas Railroad (e).....	'94-'01	6 per cent	17,800
160	1,000	160,000	To aid in the construction of the Baton Rouge, Gross Tete and Opelousas Railroad (f).....	'94-'01	6 per cent	9,600
1,000	1,000	1,000,000	To aid in building levees.....	1896	6 per cent	80,000
4,000	1,000	4,000,000	To aid in building levees.....	1907	6 per cent	240,000
326	1,000	326,000	In settlement of past due coupon's	'86-'83	6 per cent	19,600
193	500	96,000				5,760
738	100	73,800	In favor of the Louisiana State Penitentiary.....	1909	7 per cent	4,480
500	1,000	500,000				33,000
80	1,000	80,000	In favor of the Boeuf and Crocodile Navigation Company.....	1890	8 per cent	6,400
4,000	500	2,000,000	To defray the expense of building levees (g).....	1910	8 per cent	180,000
134	1,000	131,000	For the relief of P. J. Kennedy..	1890	8 per cent	10,720
3,600	1,000	3,600,000	To fund the floating debt of the State.....	1910	8 per cent	180,000
100	1,000	100,000	To establish a Charity Hospital at Shreveport.....	1890	7.30 p.ct.	7,300
		14,598,800				991,988

**NOTE**—From the above statement should be properly deducted the following Bonds which have been redeemed by the State, viz: (a) 151 bonds for the relief of the State Treasury \$63,500. (b) 18 bonds in favor of the New Orleans and Nashville Railroad Co. \$18,000. (c) 270 bonds in favor of the New Orleans Jackson and Great Northern Railroad Co. \$270,000. (d) 79 bonds in favor of the New Orleans, Opelousas and Great Western Railroad Co., \$79,000. (e) 51 bonds in favor of the Vicksburg, Shreveport and Texas Railroad Co., \$51,000. (f) 80 bonds in favor of the Baton Rouge, Gross Tete and Opelousas Railroad Co. \$80,000. Total, \$513,500; (g) Act No 32, of 1870, provides for the issue of bonds 3,000,000. Only \$2,000,000 have been issued, the remainder to be issued next year. Total amount of bonds \$14,598,800; less amount of bonds taken up by the State \$513,500. Total amount of the bonded debt of the State \$14,085,300. Correct: ANT. DUBOUE State Treasurer.

## LEHIGH COAL AND NAVIGATION COMPANY.

The Board of Managers respectfully submit their report for the year 1869 as follows:

The profits of the year from all sources were:

Net profits on railroads, including car service.....	\$307,898 36
Net profits on Lehigh Canal.....	166,360 29
Net profits on coal—	
Summit Mines.....	\$496,951 64
Newport Mines.....	54,324 73
	<hr/> 491,776 36
Net profits on real estate sold .....	96,968 86
Net profits from rent.....	55,120 86
Miscellaneous receipts.....	80,482 08
	<hr/> \$1,797,453 81
Loss general expenses.....	\$116,833 07
Taxes chargeable to railroad.....	36,925 83
Taxes chargeable to Lehigh Canal .....	7,810 17
Taxes chargeable to Delaware Division Canal.....	6,211 55
Taxes chargeable to coal.....	56,523 58
Taxes on interest and capital stock .....	104,182 98
Taxes on landed property and improvements.....	6,100 80
Balance of interest account for 1869.....	984,071 43
Loss on Delaware Division Canal.....	148,693 81
	<hr/> 1,462,732 27
Surplus to credit of profit and loss account.....	\$334,701 54

The floating debt incurred in 1863, in the purchase of rolling stock and in adding sidings, &c., to the railroad, was increased during 1869, by expenditures of the same character rendered necessary by the amount of business pressing upon us.

The five year loan issued in 1868 was regarded as a temporary expedient, and was used almost exclusively as collateral security for loans to the Company. When the sale of the Wilkesbarre Coal and Iron Company stock was made it became necessary to retire a considerable portion of this loan, and for the purpose of funding the floating debt and providing means for permanent improvements on our railroad and coal lands, it was decided to issue a new loan of two millions of dollars, secured by a first lien on the newly acquired coal lands and on real estate in Philadelphia, the value of the properties being at least three millions of dollars. The loan matures in 1894, bears 6 per cent interest, clear of taxes, payable, principal and interest, in gold. A sinking fund of ten cents for five years, and fifteen cents thereafter, on every ton of coal mined and carried away from the property, is payable monthly to the trustees, and will provide for the loan before maturity. The payments on this account, were for October, \$1,414 02; November, \$1,269 44; December, \$1,258 92, and will increase to \$3,500, or perhaps \$4,000 a month before the close of 1870.

The loan is convertible into the stock of the Company until 1879. The Board entertained the hope that the business of the year would show such satisfactory results to the stockholders as to create a demand for the new bonds by reason of this privilege of conversion. The freshet in October not only reduced our receipts, and rendered necessary heavy expenditures in repairs, but delayed the negotiation of the loan. The loss of receipts and increased expenditures amounted to fully \$500,000, which sum and the proceeds of the loan would have relieved the Company of floating liabilities. The Board look forward with confidence to the funding of this indebtedness at an early period.

In October, 1867, the stockholders were invited to subscribe to a 6 per cent ten year convertible loan of the Company, to the aggregate amount of \$3,300,000. The subscriptions received amounted to about \$1,200,000. During 1863 a small portion of the remainder was issued in payment for equipment and purchase of coal lands, and there remains of the amount originally authorized about \$1,900,000 available for future use.



## TENNESSEE DEBT.

A subscriber, who is familiar with the financial affairs of Tennessee, sends us the following statement of the debt of that State as it stands at present, several of the items stated are necessarily approximate figures:

Debt as stated October 1, 1869.....	\$39,212,243
Bonds issued since October 1, 1869, viz:	
To Tennessee and Pacific Railroad .....	\$895,000
To East Tennessee and Western North Carolina RR .....	150,000
To Mineral Home Railroad .....	100,000—
Interest due January 1, 1870, about.....	1,135,000
Liability for notes of Bank of Tennessee, as per recent decision United States Supreme Court, about.....	3,500,000
.....	1,500,000
Total.....	\$45,347,243

There is also some floating debt.

In this connection, the following, from the *Nashville Union*, is of interest:

SATURDAY, May 21.—Senate met at 10 o'clock, and was called to order by Speaker Thomas.

## TENNESSEE AND PACIFIC RAILROAD.

Mr. Clementson, Chairman of Joint Select Committee on Railroad Investigation, submitted the report of the Committee on the Tennessee and Pacific Railroad, which report was received and ordered to be transmitted to the House. The Committee find by records in the office of the Secretary of State that there have been issued to said road eleven hundred and eighty-five thousand dollars in the bonds of the State, being 1,185 bonds of \$1,000 each, 800 of which bonds were issued in accordance with the act of May 24, 1866. The others were issued under an act passed December 7, 1867.

The report shows that the 1,185 bonds mentioned were received by Gen. George Maney as President of said road, and that 953 of them have been hypothecated as security for loans negotiated for construction and equipment, and that the remaining bonds are in possession of the company. That 29½ miles of road are prepared for iron, and track is now being laid; that no work had been done when the first State bonds were issued, but that \$51,000 of individual stock had been subscribed and \$600,000 in county subscriptions; that the 953 bonds were hypothecated for loans falling due—\$293,546, July 1, 1870, and \$80,000 26th May, 1870, and to be paid before the 953 bonds can be released; that \$16,000 of individual stock has been paid in, and that \$300,000 in bonds of Davidson, Wilson and Smith counties each, have been subscribed. In conclusion, the report says: "The Committee would respectfully call the attention of the Legislature to the very limited security the State has for the large amount of bonds issued to said road—\$1,185,000. \* \* \* The Committee would suggest that it is highly important that some legislation should be at once enacted that would protect the large interest of the State in said road, and secure the State from very great impending loss."

## EAST TENNESSEE AND WESTERN NORTH CAROLINA RAILROAD.

Mr. Clementson also submitted the report of the Committee in regard to the East Tennessee and Western North Carolina Railroad, showing that \$400,000 in the bonds of the State had been issued to said road.

## KNOXVILLE AND CHARLESTON RAILROAD.

The report of the Committee relative to the condition of the Knoxville and Charleston Railroad was also received and ordered to be transmitted to the House. The report shows that 710 State bonds—\$1,000 each—have been issued to said road, most of which have, in disregard of law, been sold for less than their par value; that all its property is worth about \$574,250—\$135,741 less than the principal debt of the State. The Committee recommend such legislation as may be best deemed to secure the State against the danger of further loss.

## PACIFIC RAILROAD OF MISSOURI.

The Twentieth Annual Report for the year ending February 28, 1870, is as follows :

## GROSS EARNINGS FOR THE YEARS 1870 AND 1869.

	1870.	1869.
From passengers.....	\$1,399,368 21	\$1,307,57 31
From freight.....	1,699,016 33	1,676,469 16
From U. S. Express Co.....	63,640 85	62,715 32
From mail.....	52,007 53	45,049 02
Total.....	\$3,313,059 44	\$3,091,501 73
Net income.....		\$119,939 68
Gross earnings for the year.....		\$3,313,058 44
Less operating expenses.....		2,318,718 62
Net earnings.....		\$894,344 82
Operating expenses, 1869 (per centage).....		\$72 16
18 8 .....		63 49

The operating expenses for 1869 apparently exhibit an unfavorable comparison with the previous year, 1868. It is not so in reality.

The difference is accounted for in the purchase of new iron and ties, exceeding similar purchases made during the year 1868, and amounting in the aggregate to \$210,000.

Equalizing these accounts, the comparison would stand as follows :

Operating expenses in 1 year, 1869 (per cent).....	\$64 90
previously at, 1868 (per cent).....	63 40

Gross earnings of the Missouri River Railroad (26 miles between State line and Leavensworth) for ten months, ending 31st December, 1869, were :

Passengers.....	\$41,570 53
Freight.....	29,127 36
Mails.....	2,166 00
Total.....	\$63,564 49

Gross earnings of the Osage Valley and Southern Kansas Railroad (between Tip-ton and Boonville) for the year ending 28th February, 18 0, were :

Passengers.....	\$19,816 75
Freight.....	8,240 03
Total.....	\$28,056 78

At the date of the last annual report, the change in the gauge of the road, at an early day, was in contemplation. The undertaking was regarded as one of serious moment, involving, as it necessarily must, a break in the business of the road, and a protracted derangement in its operations. The labors and responsibilities involved in this change were, after being duly considered, undertaken and successfully carried through in July last, within the time contemplated when the matter was under consideration. The cost of changing the gauge of the track amounted to, as follows :

Eastern Division.....	\$24,078 47
Western Division.....	15,566 55
Boonville Branch.....	1,286 95
Total.....	\$50,931 97

Average cost per mile, east and west divisions, including Boonville branch and thirty-six miles of sidings, \$137 84. This may be regarded as satisfactory in its cost, as it was prompt and successful in execution.

The total cost of the change of gauge or labor or material in the machinery and track departments, up to February 28, 1870, amounts to \$208,646 90.

A committee appointed to investigate the matter of the several leases of other roads by this company report very unfavorably upon them all, and conclude as follows :

"In conclusion, your committee express their belief that it would have been just and proper that the stockholders of the Pacific Railroad should have had opportunity to express their opinions and wishes upon these leases the same as was accorded to the stockholders of

the Missouri River Railroad, and, in fact, so carefully guarded were the interests of the stockholders of the Missouri River Railroad by their faithful directors, that for want of their acquiescence with their first lease it was canceled, and in its stead another lease was forced upon the stockholders of the Pacific Railroad, without their consent, of far more burdensome character. They would also express their opinion that the actions of the Board of Directors of the Pacific Railroad Company did not evince an anxiety to consult with the stockholders, inasmuch as the effort made to obtain the sentiment of the stockholders upon the last and present lease was negatived by the Board of Directors in the most emphatic manner."

#### FINANCES OF THE STATE OF ARKANSAS.

The taxable value of the real estate of Arkansas for 1870, is \$120,000,000; personal property, \$30,000,000; total of taxable property, \$150,000,000. The debt of the State is \$3,450,000, less than 3 per cent of the taxable valuation. The debt is funded in 30 years 6 per cent bonds, and a special tax of  $\frac{1}{4}$  of 1 per cent is levied to pay the interest. Of 2,800,000 acres of land owned by the State, 800,000 acres, worth from \$10 to \$40 per acre, are set apart for the gradual payment of the State debt. Of the other 2,000,000 acres, much of it is rich in minerals and timber, and includes some of the best cotton land in the State. Arkansas is rich in iron, lead, zinc, marble, coal, gypsum, salt, &c. The cotton crop of 1869 was 309,000 bales; of other farm products, \$20,000,000. Arkansas has only 95 miles of railway in operation, and 1,200 miles projected, and most of the lines are endowed with land grants from the General or State Governments, and a loan of the State Credit not to exceed in the aggregate 850 miles. The aid of the State is pledged to the Memphis and Little Rock Road and the extension to Fort Smith; the Mississippi, Ouachita and Red River Road; the Little Rock, Pine Bluff and New Orleans Road, and the Cairo and Fulton Railroad. About one million of State bonds have been issued as yet to the companies, and the bonds are made payable to order or to bearer at the request of the companies. It is the purpose of the State Treasurer, Mr. Henry Page, to make the bonds issued hereafter payable to bearer.

#### RAILROAD ITEMS.

**THE WESTERN UNION RAILROAD.**—This road extends from Racine to Port Byron, on the Mississippi River, 182 miles, and by connecting lines, is in connection with the cities of Rock Island and Davenport, and at Fulton intersects the Chicago and Northwestern Railroad. In the month of September next, it will be connected with this road by a branch from Elkhorn to Eagle, a distance of about 16 miles. This connection will open for the traffic of this company, the business of many thriving cities and villages in Wisconsin and Illinois, and the richest coal and grain growing districts in the latter State. In connection with our road, it furnishes the shortest and most direct route to Fulton and Rock Island for the western and northern parts of Wisconsin. It will bring to us the transportation of corn, coal and other products of that section of the country, but little of which has ever passed over the line of our road.

It will be seen that about 1,000 additional miles of road will probably be brought into use, or connected with our lines, during the year 1870, from all of which we may reasonably expect a large and profitable business.

The stockholders, pursuant to a law of the State of Wisconsin at their annual meeting in June, 1869, divided their directors into three classes, to hold their offices respectively for one, two and three years.

Comparative statement of earnings and operating expenses for the years 1868 and 1869.

#### EARNINGS.

	1868.	1869.	Inc.
From freight .....	4,266,283	4,909,535	643,241
From passengers .....	1,605,295	1,781,134	83,839
From mails, express, &c.....	556,066	500,008	3,942
Total earnings.....	\$6,517,644	\$7,250,667	\$733,023

## EXPENSES.

	1868.	1869.
Repairs of road and machinery.....	1,390,590	1,439,563
Operating and extraordinary expenses.....	3,642,450	2,790,399
Total expenses.....	\$5,033,040	\$4,229,962

## RECAPITULATION.

	1868.	1869.	Inc.
Gross earnings.....	6,517,645	7,250,668	733,023
Total expenses.....	4,033,040	4,229,989	196,941
Net earnings.....	\$2,484,604	\$3,020,679	\$536,181

Earnings and expenses, by divisions, for the year 1869 :

## EARNINGS.

	La Crosse.	North'n.	Pra. du C'n.	Iowa & M.	Total.
From freight.....	1,546,523	491,211	1,784,890	1,087,389	4,909,523
From passengers.....	687,695	184,896	529,882	508,719	1,781,184
From mails, express, &c.....	197,465	72,376	199,416	90,746	560,008
Total earnings.....	\$2,331,684	\$718,424	\$2,513,690	\$1,686,858	\$7,250,668
Total expenses.....	\$1,317,108	\$883,589	\$1,415,915	\$1,068,274	\$4,229,982
Net earnings.....	\$974,590	\$329,835	\$1,097,775	\$618,584	\$3,020,786

Detailed statement of earnings monthly for the year 1869 :

Months.	Freight.	Passengers.	Mails, Exps., &c.	Total.
January.....	339,119	89,753	35,712	454,590
February.....	215,120	81,219	31,060	330,400
March.....	251,374	132,398	37,173	420,951
April.....	251,224	156,427	52,635	460,287
May.....	399,174	162,849	68,820	630,844
June.....	431,047	181,837	65,983	678,923
July.....	371,943	163,810	45,771	581,530
August.....	335,714	164,603	35,225	535,546
September.....	493,525	195,871	35,335	724,733
October.....	802,396	175,888	91,817	1,040,101
November.....	584,327	157,963	68,908	811,194
December.....	454,500	118,505	28,560	596,566
Total.....	\$4,909,525	\$1,781,134	\$160,008	\$7,250,668

Dr.

## GENERAL ACCOUNT, DECEMBER 31, 1869.

Cost of road.....	35,518,838 20
Stock of material on hand.....	323,073 21
U. S. Government Post Office Department.....	27,160 06
Balance due from agents and other companies.....	249,489 58
Miscellaneous accounts.....	23,710 57
City of Hastings bonds.....	14,000 00
Interest paid on bonds due January 1st, 1870.....	11,829 82
Cash on hand.....	963,984 62
Total.....	\$37,137,084 45

Cr.

Capital stock, preferred.....	9,744,268 00
"    "    common.....	7,667,104 00
Bonds—First mortgage 7 per cent.....	5,487,000 00
"    "    E. Div. P. & M. Mort. 8 per cent.....	793,000 00
"    "    Iowa & Minn. Div. 7 per cent.....	3,792,000 00
"    "    Minn. Cent. R'y 7 per cent.....	208,000 00
"    "    Pra. du Chien. Div. 8 per cent.....	3,672,000 00
"    Second Mort. 7-10 per cent.....	1,189,000 00
"    "    7 per cent.....	1,316,000 00
"    Income 7 per cent.....	20,000 00
"    Milwaukee City 7 per cent.....	234,000 00
"    Milwaukee & Western 7 per cent.....	247,000 00
"    Real Estate, Pur. Money 7 per cent.....	148,500 00
Incumbrances assumed.....	48,311 00
Total.....	17,154,941 00
Unpaid Pay Rolls and Bills.....	31,733 92
Due other railroads, Freight and Ticket Accounts.....	81,941 42
Dividend No. 9, Pra. du C. Div.....	4,132 09
Dividend No. 4.....	3,181 50
Coupon Account.....	108,526 23
Income Account.....	1,983,356 29
Total.....	\$37,137,084 45



**RAILWAY AID IN MICHIGAN.**—The *Railway Review* has the following upon this subject:

"We have already referred to the importance of the case, in relation to the Detroit & Howell Railroad Company, pending in the Supreme Court of the State, which involves the constitutionality of the special act, and the general railroad aid laws of that State. The judges of the court, in view of the interests involved, have ordered a rehearing of the case, that every fact and principle may be before them. From statistics given in the *Detroit Tribune*, we compile the following table, showing with approximate correctness, the financial status of new enterprises, so far as they have received public aid, on May 1st. The total voted by towns and counties may be roughly estimated at more than \$6,000,000. Of this aggregate \$1,750,000 bonds were voted upon various conditions specified in their respective enabling acts, to live corporations; and the balance \$4,250,000, in strict accordance with the terms of the general law of 1869. Of the latter, \$360,000 has been deposited with the State Treasurer. The company have thus far received \$1,744,955 in bonds. Of these \$37,000 are paid; \$118,000 remain in their possession, the balance is in the hands of third parties. This \$1,589,955 has been taken by capitalists and corporations, by contractors and employers, by people of all classes and sections.

The case was to-day decided as we learn by special dispatch, adversely to the constitutionality of the law. It was held that railways are not public objects; that the State cannot itself, under the constitution of Michigan, levy taxes for the aid of railway enterprise; nor can it authorize municipalities to do what it cannot do itself.

The Legislature will probably, in extra session submit an amendment to the constitution making valid the bonds.

Roads.	Bonds deposited with State Treasurer to May 1.		Voted under special acts.		Voted under general law.	
	Towns adding ..	Bonds deposited ..	Received from towns by Co.'s ..	In hands of third parties ..	Dividends to loan by State T. & S. ..	In hands of third parties ..
Michigan Air Line.....	21	552,000	85,000	85,500	25,000	25,000
Howell & Lansing .....	4	57,200	.....	.....	.....	.....
Detroit Hillsdale & Indiana....	8	266,000	.....	.....	.....	.....
Kalamazoo & South Haven.....	11	224,300	.....	.....	36,000	36,000
Chicago & Michigan Lake Shore...	13	270,100	.....	.....	.....	.....
Allegan & Holland.....	3	31,000	.....	.....	.....	.....
Pt. Wayne, Jackson & Saginaw...	3	48,500	.....	.....	.....	.....
Elkart & Lake Michigan.....	4	136,000	.....	.....	.....	.....
Lansing, St. Johns & Mackinac...	14	214,502	.....	.....	.....	.....
Jonesville, Marshall & Grand Riv...	16	281,603	.....	.....	.....	.....
Port Huron & Lake Michigan...	1	42,000	.....	.....	42,000	42,000
Ion's & Lansing.....	2	2,000	103,450	95,450	.....	.....
Peninsular .....	1	50,000	.....	.....	.....	.....
Port Huron & Owosso.....	1	28,000	.....	.....	.....	.....
Owosso & Big Rapids.....	9	121,875	.....	.....	.....	.....
Michigan Lake Shore.....	3	62,000	50,000	50,000	.....	.....
East Saginaw & Ann Arbor.....	4	62,500	.....	.....	.....	.....
Ion's & Stanton.....	1	40,000	.....	.....	.....	.....
Westphalia, Hubbard's & N'ern	4	72,500	.....	.....	.....	.....
Paw Paw Valley .....	5	155,000	36,100	28,100	.....	.....
Detroit & Howell.....	1	300,000	.....	.....	.....	.....
Toledo, Ann Arbor & Northern...	11	273,200	.....	.....	.....	.....
Grand Rapids & Lake Shore .....	3	21,000	.....	.....	.....	.....
Jack on, Lansing & Saginaw .....	3	140,000	208,000	208,000	.....	.....
Tol., Ypsilanti & Saginaw Air Line	1	55,000	.....	.....	.....	.....
Michigan Air Line Extension .....	1	23,800	.....	.....	.....	.....
Flint & Pere Marquette .....	..	.....	75,000	75,000	.....	.....
Kalamazoo, Allegan & G. Rapids	..	.....	95,000	95,000	.....	.....
From White Pigeon to Kalamazoo	..	.....	118,000	88,000	.....	.....
Port Huron & Lake Michigan.....	..	.....	117,300	117,200	.....	.....
Detroit & Howell.....	..	.....	48,505	48,505	.....	.....
Other Roads.....	..	.....	291,200	289,000	50,000	10,000
Chicago & Michigan Lake Shore...	..	.....	.....	.....	97,000	13,500
Fort Wayne, Jackson & Saginaw	..	.....	.....	.....	48,500	23,500
Total .....	143	3,549,880	1,445,955	1,399,955	299,000	190,000

**NORTH MISSOURI**—The annual report of the condition of the North Missouri road has been submitted, by its president, Barton Bates, from which we learn that they have at present sixty-three engines, with eighteen new ones under contract, against forty-five last year.

#### THE EARNINGS

have been as follows—

From transportation of freight.....	\$1,113,909 83
From transportation of passengers.....	806,373 66
From transportation of express.....	51,358 25
From transportation of mails.....	51,903 33
From miscellaneous sources.....	61,437 09
Total earnings.....	\$2,084,486 15
Expenses.....	1,651,362 07
Net earnings.....	\$432,123 98

#### THE GROSS EARNINGS

of the previous year were \$1,037,471 99; increase, \$1,047,014 06, or a little more than one hundred per cent.

During the year the number of pounds of freight moved was 607,929,392. The increase in freight earnings is \$589,950 23.

#### THE NEW BRIDGE

The bridge over the Missouri river, at St. Charles, is still incomplete, but it is hoped that it will be finished by the end of the present year.

#### THE LENGTH OF THE ROAD

is as follows:

St. Louis to Kansas City .....	271 miles
Moberly to Iowa line.....	89 "
Centralia to Columbia.....	21 "
Total.....	383 miles.

The company also operates twenty-three miles of the St. Louis and Cedar Rapids railway, from the Iowa State line to Bloomfield, which will soon be extended twenty miles further to Ottumwa, where it will intersect the Burlington and Missouri river railroad and the Des Moines Valley railroad.

Track is being laid on a branch from Brunswick to Chillicothe, thirty-six miles, which is part of a line to Omaha, and which will be the shortest line from St. Louis to Omaha.

#### FINANCIAL AFFAIRS.

The capital stock of the company is now .....	\$7,771,500
First mortgage.....	6,000,000
Second mortgage.....	4,000,000
Third mortgage.....	5,000,000

By agreement with the purchasers of second mortgage bonds, the payment of the interest which matures prior to April, 1871, is postponed for five years.

Of the third mortgage, only \$3,000,000 have yet been issued, and the interest for the first five years from October, 1869, is ten per cent, payable in the stock of the company, and for fourteen years longer at seven per cent currency.

**MILWAUKEE AND ST. PAUL RAILWAY CO.—ANNUAL REPORT FOR YEAR 1869.**—The directors submit to the stockholders this, their Sixth Annual Report, showing the condition and operation of the Company for the year ending December 31st, 1869.

The railway owned by this Company is in length, exclusive of side tracks, 917 miles. On the 1st of January, 1869, the Company had 825 miles, which was increased during the year, 92 miles, as follows:

June 1st.....	11 Miles
August 1st.....	27 "
September 1st.....	29 "
October 1st.....	25 "

The average for the year, of the number of miles owned by the company is 853 miles.

The details relating to the distances are as follows :

Milwaukee to St. Paul, via Prairie du Chien.....	403 Miles.
Milwaukee to La Crosse, via Watertown.....	196 "
Milwaukee to Portage, via Horicon.....	95 "
Horicon to Berlin and Winneconne.....	53 "
Watertown to Madison.....	37 "
Milton to Monroe.....	42 "
Calmar to Nora Springs.....	65 "
Co. over to Decorah.....	10 "
Mendota to Minneapolis.....	9 "
Total.....	917 Miles.

The comparative earnings, expenses, and general condition of the company are as follows :

	1869.	1868.	
Gross earnings.....	\$7,350,669	\$6,517,646	Inc. 733,023
Operating expenses.....	4,229,832	4,033,041	Inc. 196,841
Net earnings.....	3,020,787	2,484,605	Inc. 536,182
Interest on mortgage bonds.....	1,246,583	1,210,700	Inc. 6,883
Miles of road (exclusive of sidings).....	917	825	Inc. 92
Cost of road (bonds and stock).....	\$4,541,872	\$3,552,341	
Cost of road per mile.....	\$7,780	\$3,457	
Tons of freight moved.....	1,844,568	1,134,565	Inc. 209,793
Passenger carried.....	810,903	794,583	Inc. 16,320
Miles run by freight and passenger trains.....	3,010,685	2,397,287	Inc. 613,398
Cost of operating per mile.....	1 40	1 63	D. c. 28c. p. m.
Gross earnings per mile.....	8,450	7,900	Inc. 550
Value of supplies, &c., Dec. 31st.....	323,072	509,832	Dec. 186,810

The stockholders having authorized the same, the directors declared a dividend from the earnings of 1869, payable February 15th, 1870, on the preferred stock of \$7 per share in cash, and \$3 per share in common stock, and on the common stock \$3 per share in cash and \$7 per share in common stock. The dividend so declared increased the capital stock \$828,900 from February 15th, 1870, and, of course, adds to that extent to the present cost of the railroad and property owned by the company, making the present cost \$35,370,772, or say \$37,800 per mile.

During the year 1869, the directors made large expenditures in effecting improvements and in acquiring additional property, not charged in operating expenses, to the amount of \$1,631,533.18.

These large expenditures were deemed necessary by the directors to give increased permanent value to the road.

Having completed certain improvements and paid therefor from the earnings of the road for 1869, the policy of the directors in future will be to divide the net earnings in cash to the shareholders.

The Milwaukee & St. Paul Railway Company are not now engaged in the construction of any railroad, and they have no floating debt.

**MACON AND AUGUSTA RAILROAD.**—The receipts and expenses of this road in its unfinished condition, for the fiscal year just closed, have been as follows :

RECEIPTS.	
From passage.....	\$21,921 97
From freight.....	40,043 73
From mail.....	2,350 00—\$64,315 70
EXPENSES.	
For conducting transportation.....	7,608 31
For motive power.....	13,963 72
For maintenance of way.....	25,363 55
For maintenance of cars.....	1,034 82—\$47,970 40
Net income.....	\$16,345 30

**LOUISVILLE AND NASHVILLE RAILROAD.**—Comparative statement of earnings for six months, from July to December, 1869, inclusive, and corresponding six months of 1868 :

	1868.	1869.	Increase.
July.....	\$147,077 96	\$195,291 65	\$48,213 69
August.....	182,418 78	344,133 61	61,714 83
September.....	208,083 63	279,216 15	73,132 49
October.....	213,844 41	292,700 75	78,856 34
November.....	208,601 79	271,655 98	64,454 19
December.....	217,293 82	254,140 11	36,846 29
Total.....	\$1,175,310 42	\$1,533,633 25	\$361,322 83
Increase, 30 74-100 per cent.			

**BALTIMORE AND POTOMAC.**—Ten miles of this road below Marlboro are under contract, and the portion in the District of Columbia is to be let immediately.

The following shows the comparative earnings of the Illinois Central Railroad Company during the month of May:

1870 .....	\$579,308 06
1869 .....	529,026 73
Increase .....	\$50,281 33

The earnings of the St. Louis and Iron Mountain Railroad for the month of May were:

1870 .....	\$ 15,174 96
1869 .....	72,049 15
Increase .....	\$48,125 81

**DONATIONS TO RAILWAYS IN CALIFORNIA.**—The San Francisco *Bulletin* publishes a long communication from Governor Haight, on the constitutionality of the legislation authorizing donations to roads by cities and counties. The Governor says that he has given it careful attention, and reaches the conclusion, based upon an examination of judicial authorities and opinions in other States, that the Legislature has no right to authorize gifts to railroad corporations, by towns, cities or counties, with or without popular consent at an election.

Says the *Bulletin*:

"If this opinion is sound, all the railroad aid bills of the last California Legislature are unconstitutional and void, and are liable to be so declared if the question is raised in the Courts. The Governor is led to this opinion by the conviction that taxation for the benefit of a private corporation is not taxation in any legal or constitutional sense, but is an evasion of the constitutional provision that private property cannot be taken except upon making full compensation.

It is probable that the Governor has become alarmed since the adjournment of the Legislature, at the tendency of the General Railroad Aid law. He no doubt was anxious from the beginning to protect the counties of the State against heavy accumulations of indebtedness for the benefit of railroad corporations, and yet, indisposed to fight entirely all projects of local aid, he suggested the passage of a general law with a limitation which was thought ample. It appears now, as in the case of San Francisco, that where only \$1,000,000 was asked under a special act, three, four or five millions may be obtained under the general Act, while every Board of Supervisors is subject to unhealthy, if not corrupt pressure, and moneyed influences are carried into elections to a scandalous extent. Seeing this, the Governor has probably determined to break up the whole business of railroad donations. His letter will doubtless have the effect which it was intended to have, of prompting legal resistance to all railroad aid schemes, and we take it for granted that none will now succeed unless it can pass successfully the ordeal of the Courts. In case the decision is adverse, railroad construction in California, at least in the southern half of the State, where local subsidies have been deemed most essential, will be much retarded. We presume that in a question of so much importance no time will be lost in pressing the constitutional point to a decision in the highest Court."

**KANSAS PACIFIC.**—We gather the following fresh items from recent issues of the *Lawrence Journal*: Preparations are making for rapid track-laying west of Carson, the first of June, to be pushed two or three miles per day. The denizens of Sheridan have mostly folded their tents, and stole silently away to Carsons, where a thriving town is building. The company have offered liberal premiums to those engaged in planting gardens out on the "desert," near Sheridan and Carson. There are looking very promising. Large numbers of Colorado stock are being shipped from Carson. Last week there were 20 cars. The Denver Pacific will be completed by the first of July. Track laying will then commence on the K. P. from Denver east. The K. P. will be in operation to Denver by the first of September. The freight and passenger receipts during the last month were the largest since the road was in operation. The company have ordered 15 new engines, making 65.



**WILMINGTON AND MANCHESTER RAILROAD.**—The following notice is of interest to the holders of the bonds of this company:

M. K. Jessup, *et al., vs.* The Wilmington and Manchester Railroad Company, *et al.*—Pursuant to an order of the Superior Court of New Hanover county, made in the above entitled cause at the spring term, 1870, at presentation at the office of Cronly & Morris in this city, I will pay to the holders of the first preferred bonds, secured by the mortgage made by the defendant, the said Wilmington and Manchester Railroad Company, to the plaintiff, M. K. Jessup, who have not already received the same, a per centage of \$30.72 on said bonds and accrued interest on the same, being dividend for distribution, as aforesaid, from net sales of that portion of the railroad and other property covered by said mortgage, which was in the State of North Carolina. In further obedience to the order made as aforesaid, I hereby notify all holders of the bonds above referred to that unless the same are presented to me as above for payment of the dividend above stated on or before the first day of September, 1870, they will be forever debarred from any participation in the said fund in my hands for distribution as aforesaid.

M. CRONLY,  
Commissioner and Referee.

Wilmington, N. C., May 16, 1870.

**THE BOSTON, HARTFORD AND ERIE DEBT.**—We have received from Messrs. Parker & Cobb, of Boston, the following estimate of the debt of the Boston, Hartford and Erie Railroad Company:

Outstanding.	Rate p c.	When paid.	Where & by whom.	Principal payable.
Mortgage on Harl'd. Prov. & Fism. RR., currency, \$2,055,000	7@..	Various	Hartford	Various
their various mortgage b'ds and lying th Berdelle m'gage (cur'n'cy) 450,000	6@7	Various	B. H. & E. R.	Various
Berdelle mortgage.....20,000,000	7@..	Jan. & July 1	"	1900
Mortgage on flats at S. Boston, held by Boston Wharf Co., (currency). 1,300,000	7@..	May & Nov. 30	"	1888
Liability to State of Mass.—note due July 1, '80, secured by mort. of flats in S. Boston, (currency)..... 545,503	6@	After July 1, 1872	"	1881
Floating debt, as per report, Nov. 30, 1869.... 7,349,163	....	....	"	....
*Liability to S. of Mass, "secured" by Berdelle mortgage bonds at par, gold..... 3,392,840	5 gold	Jan. & July	"	....

REMARKS.—The "floating debt" is of *very* doubtful legality, or rather much of it is in that condition, and not a legal charge on the road.

The bonds of the H. P. and F. RR. are mostly held in Connecticut, and sell at about par. Stock \$20,000,000 issued in shares of \$100, par.

**THE RAILROAD WORK OF 1870 IN CALIFORNIA.**—The railroad system of California has a good start. The connection with the Atlantic States brings a large number of travelers and much freight across the continent, and forms a main stem with which other roads can connect. Our local roads are already numerous, and have a large traffic. The Central Pacific has 105 miles in the State; the Western Pacific, 155; the Southern Pacific, 80, the Sacramento Valley and El Dorado, 45; the California Pacific, including the branches to Sacramento, Marysville, and Calistoga, 138; the San Joaquin Valley, 12; the California and Oregon, 50; the Los Angeles, 19; and the Oroville, 26—making a total of 630 miles, all connected together save the Los Angeles.

Work is in progress now on the California and Oregon, and the San Joaquin Valley Road. The latter is to be extended this year from the Stanislaus River to the Merced, a distance of twenty-five miles. The Oregon Road is now

\* The Boston, Hartford and Erie Railroad agree to pay the interest on the State 5 per cent. gold bonds issued in their aid, expressed in £. s. d.

complete to a point twenty-five miles north of Marysville, and a hundred miles more will be built before winter. The Stockton and Tulare Company, which has obtained a donation of \$600,000 from local public treasures, promises to commence work without delay, and finish sixty miles as soon as possible. The agent of the Copperopolis Company has contracted for 5,000 ties, and says there is no doubt of the speedy construction of the road, which is to be forty miles long. There is a rumor that the Trustees of the Central Pacific Company have bought the El Dorado Road, from Folsom to Shingle Springs, and will extend it about twenty-five miles, to tap the lumber districts of East Placerville.

A number of other roads are projected, but their construction is made contingent upon the grant of county aid under the general act passed by the Legislature. The long opinion of the Governor declaring the act unconstitutional, is not conclusive, but is strong enough to prevent any sale of county railroad bonds; so the companies soliciting the bonds must carry the case to the Supreme Court. They want to have a decision at the earliest possible moment. But how shall they get it? The most natural way would be to wait until bonds should be issued under the act, but that method would require a large expenditure to construct the first section of the road. The question must be raised in some other manner.

The Supervisors of San Francisco have finally passed the order calling a special election on the 7th of June, to determine whether the city shall donate \$1,000,000 in bonds to the Southern Pacific Railroad Company, in consideration of the construction of 20 miles of road southward from Gilroy; \$250,000 to be delivered after the completion and stocking of each section of fifty miles.

On the 14th of June Sonoma County will vote on a proposition to give \$5,000 per mile to a road from Napa County to Healdsburg, via Petaluma and Santa Rosa, with a branch at Bloomfield, with the condition that if the aid is given the whole road shall be completed within two years; and with a promise that the company will try to run their cars to Santa Rosa before January next. It is expected that the vote will show a large majority in the affirmative.—*Alta California*.

**NEW CONNECTIONS.**—McGregor & Missouri River Railway Company.—We have received from the McGregor & Missouri River Railway Company, previously known as the McGregor & Sioux City Railway, under our contract with them during the past year, about 65 miles of railroad, viz: from Calmar to Nora Springs, and expect to receive from them during the year 1870, the road from the latter place to Algona, about 63 miles.

It is not the intention of this Company to accept or receive from the McGregor Company, any further portion of their line, beyond that already mentioned, unless it shall appear that the business of the adjacent country will fully justify its extension.

The West Wisconsin Railway Company have extended their road from Tomah to Augusta, about 66 miles. We continue to operate the road under a lease, determinable at the will of either party. The road, it is believed, will be extended to Eau Claire, 25 miles, during the present year.

The Cedar Falls & Minnesota Railroad has been built from a point on the Dubuque & Sioux City Railroad, to the Minnesota State line, about 75 miles, where it connects, by the Minnesota Central Railroad at Austin, 12 miles, with the line of this Company, thus opening to us the interior of Iowa, to which we will carry large amounts of lumber, and receive by the return cars, coal and the products of the country.

The Southern Minnesota Railroad Company have built, during the past year, about 40 miles of road, commencing near Austin, on our line of road, and running westerly. They propose to continue the construction in the same direction and complete about 70 miles during the coming year.

The Hastings & Dakota Railroad now extends westerly from Hastings, about 80 miles, crossing our line at Farmington. During the past year, 12 miles were built, and the company expect to reach the Minnesota river, about 20 miles further, during the year 1870.

The St. Paul & Sioux City Railroad Company, formerly known as the Minnesota Valley Railroad, is understood to have been leased to the Lake Superior & Mississippi River Railroad Company. The latter company constructed about 95 miles of their line during the past year, and expect to complete the remaining portion, about 55 miles, within the coming season.

The St. Paul & Pacific Railroad was extended northwesterly from Minneapolis, during the year 1869, to Litchfield, about 90 miles. It is being rapidly extended to Breckenridge, on the Red River of the North, a distance of about 180 miles from Minneapolis. The company are also extending their branch line from Sauk Rapids to Crow Wing, about 80 miles, which they expect to complete within the year 1870. From the latter point they propose to extend the line to the Winnepeg District, about 300 miles.

The Northern Pacific Railroad will extend, when completed, from Lake Superior to the Pacific Ocean. It is understood that this company has secured the means, and propose, during the coming year, to build about 200 miles, which will carry them to the west boundary of Minnesota. It is also reported that the company have reasonable prospects for securing the entire sum necessary to complete the road to the Pacific Ocean. It is unnecessary to speak of the additional value which the completion of this great line will have upon your property.

The St. Paul & Chicago Railroad Company are engaged in building their road from St. Paul southerly along the west bank of the Mississippi River. They built, in 1869, from St. Paul to Hastings, 20 miles, and expect, during the present year, to extend the line from Hastings to Red Wing, about 20 miles, and from Winona to Minnieska, about 12 miles.

**THE ATLANTIC AND GULF.**—The Atlantic and Gulf Railroad, of Georgia, extends from Savannah in a direction southwest and west to Bainbridge, on Flint River, a distance of 236 miles, with a branch from Lawton, Ga., to Live Oak, Fla., 48 miles. The Superintendent's report exhibits the following earnings:

	1869.	1868.	Increase.
From freight.....	\$564,831 92	\$423,304 89	\$136,527 04
From passage.....	188,681 56	257,406 40	31,273 16
From mails.....	18,804 06	16,900 00	2,604 06
From minor resources.....	12,012 28	1,147 71	10,864 55
	\$784,329 74	\$603,059 00	\$181,270 7

Showing an increase of thirty per cent. While the gross earnings have increased thirty per cent., the expenses have increased but fourteen per cent.

**CINCINNATI AND ZANESVILLE.**—The extension of this road from Zanesville northward to Dresden, a station on the Pan Handle Line, has been put under contract and will soon be completed. It is but sixteen miles long. By it the Cincinnati and Zanesville will have an outlet to Pittsburg, Philadelphia and the East a little shorter than any other route.

**WILMINGTON AND MANCHESTER.**—This company has been reorganized with the name "Wilmington, Columbia and Augusta Railroad Company." Its road extends from Wilmington, N. C., to a junction with the South Carolina Railroad near the Waterree River, a distance of 171 miles. In connection with the South Carolina Railroad it forms a route to Charleston, Columbia and Augusta. Its chief competitor for business from the North to the latter two places is the Charlotte, Columbia and Augusta Railroad.

**THE HARTFORD AND ERIE RAILROAD.**—BOSTON, June 2.—The House this afternoon, by 16 majority, passed, with slight modifications, the new bill offered by Mr. Goodrich, extending State aid to the Boston, Hartford and Erie Railroad. The important feature of the new bill is that it proposes that the State shall give up the Berdell bonds it now holds as collateral, to be used with an equal amount contributed by the other bondholders for the completion of the road to Fishkill, the State and others receiving instead an equal amount of the bonds of the second mortgage. The bill also provides for the reorganization of the Company to meet the approval of the Governor and Council; for satisfactory contracts to finish the road within the amounts already named; for the settlement of all claims and attachments upon the property, with the interest accruing till July, 1872, by means of the second mortgage bonds, and for the necessary ratification and acceptance of the act.—*N. Y. Times.*

**CAPE GIRARDEAU AND IRON MOUNTAIN.**—It is expected that this road will be completed from Cape Girardeau to an intersection with the Iron Mountain Railroad early next month.

THE ST. LOUIS AND IRON MOUNTAIN RAILROAD COMPANY is preparing to build a section twenty miles long, from Pilot Knob, Mo., in a southerly direction toward Bruno, Wayne County. This section has very heavy grading and rock work, and it is thought that the preparation of the road bed will cost \$500,000. By a law of the Missouri Legislature, in 1858, the road is to have a subsidy of \$15,000 per mile. It has also a land grant.

—The State of Maryland has begun suit in the Superior Court at Baltimore, against the Baltimore and Ohio Railroad, to recover the value in gold over currency in dividends paid the State on preferred stock owned by it, amounting to nearly \$2,000,000. The claim is based on the recent legal tender decision of the Supreme Court of the United States.

—Suit has been entered in the Superior Court at Baltimore, by the State of Maryland against the Baltimore and Ohio Railroad Company, under the resolution passed at the late session of the General Assembly, directing said suit to be entered if the claim of the State for one-fifth of the receipts from the passengers on the Washington Branch was not satisfied within twenty days.

—One-third of the capital stock of the Rensselaer and Saratoga Railroad has been purchased by the Delaware and Hudson Canal Company, and one-sixth by Commodore Vanderbilt. Great improvements are contemplated in the rolling stock, the road-bed, and in the erection of new depots and docks on Green Island. The present capital stock of \$3,000,000 will be increased by calls on the stockholders until a sufficient sum is raised to make the desired changes.

—The ordinance recently passed by the Baltimore City Council and sanctioned by the Legislature of Maryland, authorizing the city to subscribe one million dollars to the stock of the Virginia Valley Railroad Company, and a loan to pay such subscription, has been ratified by a vote of the citizens.

—The General Assembly of Maryland has released the Baltimore & Ohio Company from the further payment of the capitation tax on the Washington Branch Railroad, amounting to one-fifth of the gross receipts from passengers, provided that all arrearages due to the State by virtue of the act of 1832, chapter 175, up to the passage of the act for release, shall be settled and paid up to the entire satisfaction of the Assembly.

—The 25th annual report of the Northern (N. H.) Railroad shows an income of \$689,623, and an ordinary expenditure of \$434,470, leaving an unexpended balance of \$257,390, which has been put into dividends and improvements. The number of passengers has increased during the year 10 per cent, and the amount of freight 17 per cent. There have been laid 685 tons of new rails and 1,303 new sleepers, and 2,993 tons of rails have been taken up, repaired, and relaid. An average reduction of 8 per cent has been made in the passenger and freight rates.

—PORTLAND, ME., May 25.—At a special meeting of the stockholders of the Portland and Kennebec Railroad to day, the action of the directors in leasing their road for 999 years to the Maine Central Railroad Company was unanimously ratified. The consolidation of the Maine Central and Portland and Kennebec Railroads necessitates a change of gauge on the part of the former road, as well as upon the European and North American Railroad. The change is soon to be effected.

—The lease of the Erie and Pittsburg Railroad having been formally transferred to the Pennsylvania Railroad Company, President Thomson of the latter company has issued an order assuming control of the road, and designating J. N. McCullough as General Manager.

—\$100,000 of South Carolina bonds were bought by the State Agent, May 27 on sealed proposals, for the Sinking Fund. The offers amounted to \$704,000. The awards were as follows:

\$5,000 Cammann & Co., January and July, 1887.....	80
25,000 Morton, Bliss & Co., Jan. and July, 1887.....	82
25,000 Morton, Bliss & Co., Jan. and July, 1887.....	82½
25,000 Morton, Bliss & Co., Jan. and July, 1887.....	82½
10,000 Kutter, Luckemeyer & Co., April and Oct.....	81½
10,000 Vibbard, Foote & Co., April and Oct.....	81½

\$100,000 Total.



THE PACIFIC MAIL STEAMSHIP CO.—OFFICIAL EXHIBIT OF ITS ASSETS AND LIABILITIES.  
—OFFICE OF PACIFIC MAIL STEAMSHIP COMPANY, NEW YORK, May 26, 1870.—A special meeting of the Board of Directors was held at the Company's office, Thursday, May 26, 1870, at 1 o'clock P. M. The Special Committee of the Board of Directors, appointed for the purpose, submitted the following:

To the Board of Directors:

The undersigned committee, appointed by the Board of Directors to prepare a statement upon the affairs of the company, beg leave respectfully to submit the following, showing the company's assets and liabilities, viz:

ASSETS.	
Cash on hand and call loans.....	\$313,430 92
Time loans.....	262,599 06
INVESTMENTS:	
\$200,000 U. S. 5-20s c st.....	\$323,387 50
250,000 U. S. 10-40s cost.....	274,760 00
27,149 shares P. M. S. S. stock.....	2,714,900 00
3,063 shares Panama Railroad stock at \$150.....	459,450 00—
Cash in hands of agents and pursers.....	10,785 83
Coal, 63,050 tons.....	1,221,560 62
Outfits and supplies.....	297,444 07
REAL ESTATE:	
San Francisco, including wharf and franchise.....	932,269 51
Warehouse, San Francisco.....	117,530 78
1,663 shares F. F. Dry Dock.....	101,335 99
Ken cla.....	26,324 50
Oregon.....	2,367 75
San Diego.....	1,215 00
Hong Kong, with wharf, godowns, &c.....	161,221 76
Yokohama, with godowns and coal sheds.....	62,317 97
Hogo.....	991 34
Taboga Water Works, &c.....	40,000 00
Islands (Bay of Panama).....	25,000 00
Aspinwall Iron Wharf, house, warehouses, &c.....	350,677 94
Canal street wharf.....	25,000 00
Spring street wharf.....	10,000 00—
	\$1,874,252 51
STEAMERS:	
Colorado.....	750,000 00
Sacramento.....	600,000 00
Constitution.....	600,000 00
Henry Chauncey.....	600,000 00
Arizona.....	600,000 00
Rising Star.....	600,000 00
Montana.....	600,000 00
New York.....	500,000 00
Costa Rica.....	400,000 00
Ocean Queen.....	380,000 00
Golden Age.....	300,000 00
St. Louis.....	75,000 00
Northern Light.....	75,000 00
Arie.....	75,000 00
Clara Clarita.....	30,000 00
Sonora.....	20,000 00
Taboga.....	15,000 00
America.....	1,017,942 22
Great Republic.....	1,058,294 72
Japan.....	1,049,434 72
China.....	1,006,452 42
Alaska.....	964,138 39
Oregonian.....	500,000 00
Ancon.....	167,501 13—
	\$11,983,534 60
Lighters.....	101,799 83
STEAMERS:	
Ocean Queen and Rising Star voyages not yet completed.....	26,618 95
Unsettled acc'ts with connecting steamship companies, &c.....	39,634 22
Balance to debit of profit and loss.....	212,238 55
Total.....	\$20,096,245 26
LIABILITIES.	
Capital stock.....	\$20,000,000 00
Unsettled account with agents and pursers.....	31,711 69
Freight on coal in transit.....	10,732 81
Freight insurance.....	730 77
Total.....	\$20,096,245 26

The steamers have been kept well up by repairs as needed, the same being charged to current expenses; they are valued below their original cost and the same as at the

date of the last statement presented to you, May, 1869, when they were all, either in actual service or reserve, profitably employed.

The steamers are now employed as follows:

The "Alaska," "Henry Chauncey" and "Arizona" are running twice a month between New York and Aspinwall, two being in commission and one in reserve.

The "Constitution," "Colorado," "Sacramento" and "Montana," three in commission and one in reserve, twice a month, between Panama and San Francisco.

The "Great Republic," "China," "Japan" and "America," three in commission and one in reserve, once a month, between San Francisco and Hong Kong.

The "Costa Rica," "New York," "Oregonian," "Golden Age" and "Ariel," four in commission and one in reserve, four times a month between Yokohama and Shanghai.

The "St. Louis," as for several years past, is stationed at Panama as a spare ship.

The "Ocean Queen" and "Rising Star," thrown out of employment by the reduction of the Aspinwall line, have been placed temporarily in the European trade.

The "Northern Light" is worth to the Company only what she will break up for.

The "Ancon" and "Taboga" are used as tugs in the Bay of Panama. The "Golden City" was totally lost February 22. She has been written off the books. The amount at which she was valued, \$650,000, has been carried to the debit of profit and loss.

#### INVESTMENTS.

The 3,063 shares of Panama Railroad Company's stock is valued on the books at \$459,450, being at the rate of \$150 per share.

The 27,159 shares of its own stock, owned by the Company, stand on the books at par, being also a liability for the same amount.

The loans and securities are perfectly good.

All our other property (such as real estate, warehouses, wharves, &c.,) is in good condition.

The property in Japan and China is admirably adapted to our business, present and prospective, and fully worth the valuation given; so likewise that at San Francisco, which includes a commodious wharf of 700 feet in length, with a valuable exclusive State franchise for about twenty-four years; three large bonded warehouses, from which income is derived; also, 1,668 shares of the San Francisco Dry Dock, from which dividends are received.

The coal on hand, 68,050 tons, stands at less than cost.

The Committee find that at this time last year, the date of the last published statement, the Company was employing four steamers per month on the route between New York and San Francisco, via the Panama Isthmus, and earning and paying to the stockholders therefrom a reasonable return on the capital invested. This service has been reduced to two steamers a month, and has ceased, for the time being, to be profitable.

This falling off in the Panama business has been mainly caused by general commercial depression, and by the construction of the Pacific Railroads; on the other hand, it is a reasonable expectation to indulge that the China branch of the service will be greatly benefited by the operations of the same railway route, in encouraging immigration, supplying markets, developing and stimulating production, and providing by rail the means of transit. The business of the China line, including the Shanghai branch, has continued to improve, meeting every reasonable expectation, and is now earning a return over and above a moderate allowance for depreciation and insurance.

Under a Government mail contract for ten years, with a subsidy of \$500,000 a year, the first steamer was dispatched from San Francisco for Hong Kong on Tuesday, January 1, 1867. From that date till September departures were made once in three months, thence twice in three months, or six-weekly, till June, 1868, when we began the full monthly service, which has since been regularly maintained.

Each increase of the service, though that of the main line has been trebled, and that of the Shanghai branch augmented six fold, has resulted, after a short time, in an increase of the average business done and in improved rates, while the average expenses have been reduced. We think the time has arrived when the trade demands a semi-monthly line across the Pacific, and the Company is now seeking the assistance of the Government to enable it to provide such increased facilities. Should our

efforts prove successful we shall be able to utilize on that route some of our steamers not otherwise employed; future events will have to determine how many steamers can be thus provided for, as well as to the disposition of any others which may become unemployed.

All of which is respectfully submitted by your Committee.

A. A. Low, Chairman,  
WILLIAM DENNISTOUN, } Committee.  
ALLEN McLEAN, President }

Whereupon on motion—The statement of the Committee was unanimously received and adopted by the Board, and ordered to be published for the benefit of the stockholders. Attest,

THEODORE T. JOHNSON, Secretary.

**CHARLOTTE, COLUMBIA & AUGUSTA RAILROAD.**—From the report of the President it appears that the earnings of the road during the year ending December 31, 1869 were:

From passengers.....	\$199,516 94
" freight.....	188,765 39
" mails.....	14,467 48
" minor sources.....	1,035 68

\$493,785 49

And the expenditures were..... \$26,536 59

Leaving for payment of interest and taxes, and account of Augusta Division..... \$177,248 90

The stockholders of the Charlotte and South Carolina and Columbia and Augusta Railroad Companies met in separate and general conventions, in Columbia, on the 7th and 8th of July, 1869, and agreed to consolidate their respective interests into one corporation—The Charlotte, Columbia and Augusta Railroad Company. An amended charter, with all necessary legislation for this purpose, was obtained from the States of North Carolina, South Carolina and Georgia. According to the terms of consolidation, the stock of the Charlotte and South Carolina Railroad was valued at par, while  $11\frac{1}{4}$  of the Columbia and Augusta Railroad made 100 in the new company, or one share of the former of 10 was merged with  $4\frac{1}{4}$  shares of the latter at \$25 each. These estimates were on account of the different values of the currency according to which the two roads had been built. Each of these corporations then transferred to the Charlotte, Columbia and Augusta Railroad Company all their respective rights and property, upon condition that it should assume all their respective liabilities.

The stockholders immediately thereafter, with the view of fulfilling the conditions, authorized the President and Directors to issue bonds of this company (secured by mortgage) to an amount not exceeding \$2,100,000, to be used for the purpose of funding the floating debt, and retiring the bonds heretofore issued by the said two companies, respectively, and now outstanding and for the purpose of completing the construction and outfit of the road to Augusta, and for other purposes.

For the purpose of avoiding, in any reasonable contingency, the necessity in future of a second mortgage, the authority was made more ample as to the amount of bonds than the then existing liabilities of the company required.

In conformity, however, with the foregoing resolution, your directors have caused a mortgage to be executed, with an authority to issue not exceeding \$2,000,000 of first mortgage bonds. These bonds bear seven per cent interest, payable semi-annually at the agency of the company, in the city of New York, and mature on the 1st of January, 1895. They are handsomely engraved and well executed, and are very freely received in exchange for the two classes of bonds heretofore issued by the former respective companies, for the reasons that they are more amply secured than either of these bonds, by the value of the property mortgaged, and the increased business of the road. In like manner the exchange and consolidation of the stock of the late corporations is being cheerfully and freely made by the holders for the stock of this company.

This brief outline of the formation of this company, and its subsequent acts in carrying out the directions of the stockholders will enable you the better to understand the following statement of receipts and expenditures to which your attention is invited.

As consolidation did not take place until the 8th of July, 1869, the accounts of the former companies were necessarily kept separate and distinct, and were so continued until the end of that month, for obvious reasons.

The gross earnings are.....	\$403,785 49
The operating expenses are .....	225,906 59
Leaving the net earnings .....	\$177,878 90

Or about 44 per cent of the gross earnings.

You will, however, readily perceive, from the foregoing synopsis, that for only five months of the fiscal year which terminated on the 31st of December last, the receipts of this company were \$218,798 03, or \$83,810 57 more than the aggregate receipts for seven months of the two former companies.

The net earnings of the company during the year have been applied to the payment of debts, interest, equipment and the completion of the bridge across the Savannah river.

OHIO AND MISSISSIPPI RAILROAD.—The annual report of the year 1869 shows the following:

	Earnings	1869.	1868.	Decrease.
Passengers.....	\$1,192,090 03	\$1,230,981 92		
Freight .....	1,567,497 67	1,586,818 96		
Express and Mail.....	150,019 77	116,339 79		
Total.....	\$2,915,517 47	\$2,964,040 67		\$48,493 20

Showing a decrease of only \$48,493 20 in the earnings, while the operating expenses were reduced for the same period the sum of \$313 462 85. The following statement, in detail, shows the expenses incurred, and paid, (both ordinary and extraordinary,) charged under the following heads:

Maintenance of Way and Structures.....	\$259,778 91
Motive Power and Cars .....	301,727 18
Transportation Expenses.....	688,284 64
General Expenses.....	118,703 61
Taxes, Municipal and Government.....	74,191 50
Overcharges, etc.....	45,510 06
Ballasting Road Bed, etc.....	54,105 01
Bridges.....	43,386 02
Depot Buildings and Engine Houses.....	8,500 77
Fencing.....	13,167 42
Materials for Shops.....	51,696 56
Real estate purchase.....	15,594 00
Interest on Loans, Legal Expenses, etc.....	21,643 20
Rebuilding Passenger and Freight Cars.....	97,177 89
Coupons of Interest on Bonds.....	367,405 70
Interest on Preferred Stock.....	153,278 08
Total.....	\$2,947,905 39

OHIO AND MISSISSIPPI RAILWAY COMPANY, GENERAL LEDGER ACCOUNT FROM NOVEMBER 1 1867, TO DECEMBER 31, 1869, INCLUSIVE.

Dr.		
Land property, road bed, superstructure and bridges from Cincinnati to East St. Louis.....	\$21,068,830 89	
Charged this account in 1869.....	6,850 54	
Real Estate, depot grounds and buildings on the line.....	1,440,673 12	\$24,075,181 43
Amount charged account in 1869.....	18,494 00	
Storrs township improvement, with tracks and transfer station		1,450,167 12
Equipment and rolling power and for locomotives cars valued .....	1,707,000 00	28,365 44
Amount charged to account in 1869.....	347,988 43	
Telegraph line Cincinnati to St. Louis.....		2,054,985 43
Illinois Southern Railroad purchase.....		25,042 59
Shop tools and machinery.....		279,819 17
Ordinary operating expenses account.....	2,801,288 34	141,740 93
Amount charged to account in 1869.....	1,987,150 94	
Extraordinary expenses account.....	844,941 96	4,788,439 78
Amount charged to account in 1869.....	307,393 27	
Mortgage bonds, coupons and interest on the same paid.....	360,081 92	1,152,235 16
Amount paid in 1869.....	364,350 70	
Amount paid Sterling coupons.....	8,655 50	
		727,467 42



Interest paid on preferred stock.....	461,701 05	
Amount paid in 1869.....	253,278 08	714,979 13
Inventory of material on hand.....	154,964 03	
Additional to shops in 1869.....	51,696 56	206,660 59
<b>LOUISVILLE DIVISION.</b>		
Construction work.....	1,047,419 51	
Iron rails for track.....	472,381 84	
Real estate and depot ground.....	65,281 35	1,585,582 70
Running accounts to be settled.....	11,730 01	
Account due from agents and others for uncollected revenue..	109,124 30	120,754 81
Cash balance on hand January 1, 1870.....		87,360,444 20
		265,994 39
Cr.		\$37,626,438 59
Common capital stock certificates.....	\$19,813,313 07	
Trustee's certificates, unconverted.....	186,686 93	\$20,000,000 00
Trustee's common certificates, to be provided for outside of the capital stock.....		62,2640 44
Preferred capital stock.....	3,345,936 89	
Amount charged in 1869.....	260,000 00	
Amount converted in 1869.....	4,754 23	
"Trustee's" certificates, unconverted.....	3,419 50	3,714,124 62
First mortgage bonds, E. D., due July 1, 1872.....		2,050,000 00
Second " " W. D., due July 1, 1872.....		850,000 00
Income " " due July 1, 1874.....		546,000 00
Funded debt " " due Oct. 1, 1882.....		221,500 00
Consolidated " " due Oct. 1, 1882.....		16,500 00
Consolidated " " due Jan. 1, 1898.....	1,270,000 00	
Issued and sold in 1869.....	1,087,090 00	
Exchanged for second mortgage bonds in 1879.....	10,000 00	2,367,000 00
Steeling consolidated mortgage bonds.....		101,950 00
Earnings credited this account.....	3,572,159 32	30,093,579 06
" " for 1869.....	2,915,547 47	6,487,708 79
Arrearage account, pay rolls unpaid.....	112,024 56	
" " bills of supplies, etc.....	89,592 86	
Open accounts to be settled with contractors and others.....	78,399 63	
Floating debt, maturing in 1870, 1871, 1872 and 1873.....	212,304 30	
Temporary loans, principally for aid of construction of the Louisville division, anticipating sale of securities, \$500,000 of which has been paid since the close of the year.....	552,831 31	1,045,152 74

Total..... \$37,626,438 59

**COMPARATIVE STATEMENT OF MONTHLY EARNINGS, SHOWING THE DIFFERENCE BETWEEN**

	1869 AND 1868.					
	1869.	1868.	1869.	1868.	1869.	1868.
	Passeng-ers.	Passeng-ers.	Freight.	Freight.	Mail & Express.	Mail & Express.
January.....	\$68,594	\$68,368	\$98,764	\$104,888	\$13,517	\$13,715
February.....	69,161	91,037	116,400	128,761	10,518	11,550
March.....	100,391	111,352	109,883	144,331	11,294	10,221
April.....	99,466	99,935	101,876	139,496	13,007	12,716
May.....	100,640	102,489	103,996	87,646	14,002	14,283
June.....	97,791	102,077	113,826	103,016	11,617	11,987
July.....	84,047	92,073	97,210	91,741	11,106	10,632
August.....	101,137	94,229	162,533	181,581	11,560	11,746
September.....	122,515	131,476	153,163	162,983	12,126	9,661
October.....	130,500	114,291	182,741	156,266	14,802	12,750
November.....	100,238	104,586	181,538	156,647	16,250	13,402
December.....	97,655	90,863	141,074	129,435	16,165	13,572
Total.....	\$1,192,030	\$1,230,981	\$1,567,497	\$1,586,813	\$156,019	\$146,439
		1,192,030		1,67,497	146,239	
		\$38,951		\$19,321	\$9,779	
Decrease in Passengers.....						\$38,951 89
Decrease in Freight.....						19,312 29
						\$58,273 18
Increase in Express and Mail.....						9,779 98
Total Decrease.....						\$48,493 20

**ROCK ISLAND R. R. EARNINGS.**—The earnings of this company for each month of its fiscal year ending April 1, 1870, are now published in the annual report, and vary quite materially from the figures which have been made public from month to month during the year. The following table shows a comparison of the figures given out each month, and the figures for the same months as contained in the annual report.

	Earnings reported monthly dur- ing the year.	Earnings for same months given in the Annual Report.
1869.		
April.....	362,900	388,385
May.....	419,000	449,932
June.....	508,000	523,841
July.....	440,300	455,606
August.....	480,900	632,652
September.....	579,000	736,664
October.....	581,000	584,165
November.....	475,600	479,236
December.....	387,700	393,468
1870.		
January.....	362,800	401,275
February.....	393,200	449,654
March.....	443,500	500,393
	5,430,100	5,995,266

—The *Railroad Gazette* gives the following:

**PACIFIC OF MISSOURI.**—The company have lately leased the Lawrence and Pleasant Hill Railroad, 58 miles long and not yet completed, for 30 years with privilege of renewal. By the terms of the lease the Pacific company are to equip and operate and guarantee a rental of \$60,000 in gold and \$15,000 in currency. They are to pay 35 per cent of the gross earnings for the first ten years, and 33½ per cent for the balance. If this percentage of the gross earnings does not come up to the guaranteed amount of \$75,000 the deficiency is to be met out of the gross earnings when in excess.

By means of this leased line the Pacific railway company will secure connection with the Missouri River, Fort Scott, the Gulf Railroad at Olathe, and the Leavenworth, Lawrence and Galveston and Kansas Pacific roads at Lawrence, shortening the line from St. Louis to Lawrence and Denver by 18 miles.

They have also leased the Sedalia and Lexington Railroad, 54 miles long, at a rental of \$54,000 per year, for a term of thirty years. The Pacific agree to operate it.

**NORFOLK AND TENNESSEE.**—A bill has passed the Virginia Legislature which provides for the consolidation of the three railroads which form a line between Norfolk, Va., and Bristol on the East Tennessee line, and have been for some time under the management of General Mehone. These are the Norfolk and Petersburg, from Norfolk to Petersburg, 81 miles long, the South Side Railroad, from Petersburg to Lynchburg, 123 miles, with a branch from Petersburg to City Point, ten miles; and the Virginia and Tennessee Railroad, from Lynchburg to Bristol, 204 miles, with a branch from Glade Springs (28 miles from Bristol) to Saltville, 8½ miles. These form a trunk line 408 miles long, entirely across the southern part of Virginia, with connections to Mobile, Memphis and New Orleans. The capital represented by the entire line is about \$18,000,000.

**ST. LOUIS AND ARKANSAS.**—The *Mississippi Valley Review* says: Although the Iron Mountain Railroad is being rapidly pushed southward from Pilot Knob, we believe no definite location has until now been named as its southern terminus. Arrangements were consummated by Mr. Allen and the directors of the Cairo and Fulton Railroad of Arkansas, by which the St. Louis and Arkansas and the Iron Mountain Railroads are to be simultaneously constructed, and that a junction of the two will be formed near the State line. Twenty miles of each are being rapidly built, the Cairo and Fulton northward from Little Rock to be done by December, and the Iron Mountain southward from Pilot Knob; these divisions done, the whole line from Little Rock to Fulton will be built as speedily as possible. The length of line in Arkansas is 300 miles, and in Missouri 89 miles. Total distance from Pilot Knob via Little Rock, and Little Rock to Fulton on Red River, about 475 miles. The distance from Pilot Knob to Little Rock is about 250 miles. At Little Rock connection will be made with the Fort Smith road, and also with the Pine Bluff road. In Arkansas the

State grants a subsidy of ten thousand dollars a mile for each of those roads, and two of them have had grants from the federal government. The counties through which the lines run generally subscribed about \$100,000 each. In Missouri there is a land grant from the United States, and while Iron county contributes nothing, it is expected that the counties of Wayne, Butler and Ripley will subscribe liberally. Engineering parties for the surveys and final locations are already ordered into the field.

**CHICAGO ROCK ISLAND & PACIFIC RAILROAD.**—The President of this Company at the recent meeting of the stockholders at Chicago submitted his annual report, from which we extract the following:

RECEIPTS.	
From passengers.....	\$1,786,956 75
From freight.....	3,587,002 20
From mails.....	50,931 51
From express.....	91,331 51
From rents.....	81,415 44
From interest on loans, &c.....	394,608 79
Total.....	\$5,995,266 20

EXPENDITURES.	
Operating expenses.....	\$3,276,367 20
Legal expense.....	19,221 25
Taxes on real estate.....	116,849 94
U. S. Government tax.....	14,452 85
	\$3,456,791 24
Net earnings.....	\$2,538,474 96
Rent Peoria & Bureau Valley Railroad.....	\$125,000 00
Interest on bond.....	615,650 00
Dividends, including tax.....	1,326,301 57
	\$2,066,951 57
Surplus earnings.....	\$471,523 39
Surplus earnings from 1868-9.....	\$1,597,244 02
Total surplus on hand....	\$2,068,767 41

This shows that the expenses were 59 per cent of the receipts, and the gross earnings very nearly \$10,000 per mile.

**BALANCE SHEET OF THE CHICAGO, ROCK ISLAND AND PACIFIC R. R. COMPANY, APRIL 1, 1870.**

<i>Cr.</i>	
Capital stock account.....	\$15,999,900 00
Fractional shares convertible into stock.....	106 00
Bonds Chicago and Rock Island R. R. Co.....	1,397,000 00
Income Bonds Chicago and Rock Island R. R. Co.....	14,000 00
Mortgage Sinking Fund bonds.....	7,376,000 00
Fractional agreements convertible into bonds.....	643 37
Due Railroad Bridge Company.....	20,000 00
Sundry balances.....	7,123 32
Chicago, Rock Island and Pacific R. R. Co. of Iowa.....	49,852 75
Profit, balance of income account.....	2,068,767 41
Total.....	\$26,933,385 35
<i>Dr.</i>	
Cost of road and equipment.....	\$25,025,903 34
Securities in hands of Treasurer as Trustee for guaranteed b'ds.....	50,815 25
Stanton, Elliot and Wilson Committee.....	1,086 59
Trustee land grant division, M. & M. R. R. Co.....	19,084 22
Railroad Bridge bond account.....	152,673 91
Chicago and Rock Island bond account.....	88,937 00
Cash and loans in hands of Assistant Treasurer.....	1,078,320 12
Balance in hands of Cashier, Chicago.....	566,477 42
Total.....	\$26,933,385 35

**ASSETS OF THE COMPANY WHICH DO NOT APPEAR IN THE TABLES ATTACHED TO THE REPORT.**

Several years since, as a matter of policy, the Company purchased certain stocks and bonds of the Sterling & Rock Island and Warsaw & Rockford Railroad Companies, at a cost of about \$170,000, which was paid from the earnings of this Company, and after a time, was charged to profit and loss account. This property is worth now all its cost and probably more, and from present appearances will likely soon be disposed of.

[July,

There is also on the debit side of the balance sheet, "Securities in the hands of the Treasurer as Trustee, &c." \$50,845 25, out of which are to be paid \$14,000 Income Bonds, and "Sundry Balances," \$7,122 32, and the balance, about \$30,000, will go to the profit and loss account.

There are also certain securities held by the Company, arising from items heretofore charged off to profit and loss, which are now valued at about \$350,000; a portion of which are in Mississippi River Bridge Bonds, Bonds of this Company, and Bonds and Stock of the Peoria, Pekin & Jacksonville Railroad Company.

In addition to these items there is as before stated, about 552,000 acres of land. Taking these items together, it is believed that the Company has assets over and above what is shown by the tables attached hereto, and from which will be realized at least four millions of dollars.

INCOME ACCOUNT OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY, FOR THE YEAR ENDING MARCH 31, 1870:

1869.			
April 10,	To Dividend on U. S. Tax.....	\$736,831 57	
May 1,	" Interest on Income Bonds .....	1,015 00	
July 1,	" Interest on Sinking Fund Bonds.....	252,160 00	
" 10,	" Interest on C. & R. I. Bonds.....	48,895 00	
Aug. 1,	" 6 months rent P. & B. V. R. R. Co.....	62.5 0 0	
Oct. 18,	" Dividend on U. S. Tax.....	569,470 00	
Nov. 1,	" Interest on Income Bonds.....	625 00	
1870.			
Jan. 1,	" Interest on Sinking Fund Bonds.....	252,160 00	
" 10,	" Interest on C. & R. I. Bonds .....	48,895 00	
Feb. 1,	" 6 months rent P. & B. V. R. R. Co.....	62.5 0 0	
Mar. 31,	" Operating expense for the year.....	3,276,367 30	
"	" Taxes on Real Estate.....	116,449 94	
"	" U. S. Tax on receipts.....	44,452 85	
"	" Legal Expenses.....	19,221 25	
"	" Balance .....	2,068,767 41	
Total.....		\$7,592,510 22	
1869.			
April 1,	By Balances.....	\$1,597,944 03	
1870.			
Mar. 31,	" Receipts from Passengers.....	\$1,786,956 73	
"	" Receipts from Freight.....	3,587,002 20	
"	" Receipts from Mails.....	0,931 62	
"	" Receipts from Rents, etc.....	84,415 41	
"	" Receipts for Interest on Loans, etc.....	\$34,608 79	
"	" Receipts from Express Earnings .....	91,351 62	
Total.....		\$7,592 510 22	
1870.			
Mar. 31,	" By Balance.....	\$2,068,767 41	

VICK-BURG AND MERIDIAN RAILROAD.—The annual communication of the President and Board of Managers giving a statement of the business of the company for the fiscal year ending the 28th of February, 1870, shows that the gross earnings were:

From freight.....	\$254,627
From passengers.....	198,168
From mails.....	40,798
From United States for transportation of men and property.....	15,094
From incidental receipts.....	5,847
Total.....	\$493,536
Expenses.....	321,057

The gross earnings of the previous year were \$390,403 29, showing an increase of \$93,403 27, or an advance of 23 11-13 per cent over the previous year.



DIST OF THE COMPANY.

The following amount of 7 per cent coupon bonds, secured by the three million mortgage, have been issued to date:

First class, red endorsement.....	\$633,500
Second class, blue endorsement.....	849,000
Third class, black endorsed.....	129,000
Fourth class, unendorsed.....	1,102,000
Payable January 1, 1890.....	\$2,763,500



## BONDHOLDERS' LOAN—(A DEBT OF HONOR).

The debt of next importance is one in the form of a loan generously made to the company in its time of trouble and gloom, by the bondholders of the North and Europe, and subsequently increased until it is now estimated at \$250,000. The object of this loan was to aid the company in placing the road in a safe condition, and in the purchase of engines and cars. This debt bears 8 per cent interest, payable semi-annually in January and July. The instalments payable in July, 1869, and January, 1870, were punctually paid—the time for paying the principal has not as yet been stipulated.

## FLOATING DEBT.

The outstanding floating debt of the company consisting of bills payable and other acknowledged claims, not included in the above statements of the debt of the company, amounted, on the 28th of February, 1869, to \$199,051 15; amount settled and cancelled in the past year, \$100,597 80; leaving amount due 1st of March, 1870, \$98,417 35; \$77,573 66 of the above amount is on account of bills payable, and \$20,843 69 is due on miscellaneous accounts.

Until the company can pay the full interest on its mortgage debt, and can pay in full the principal and interest of its loan debt, which is regarded strictly a debt of honor, it will not be in its power to pay off this floating debt, except upon terms of a reasonable compromise.

The net earnings of the past year amounting to \$159,976 47 has been applied to the payment of interest on the 7 per cent coupon bonds, in compliance with the terms proposed by the company in the latter part of 1868, to apply its entire net earnings to the payment of interest, both on its loan debt and on the 7 per cent coupon bonds secured by the three million mortgage, irrespective of class. The full 8 per cent interest on the loan debt, to be paid in money.

In regard to the interest instalments on the 7 per cent mortgage bonds, as the net receipts of the road would not justify the full payment of 7 per cent in money, it was proposed by the company, and very generally agreed to, that the bondholders should receive 4-7 of each interest instalment in money, and 3-7 in preferred stock, with the understanding that as fast as the increase of business would enable the company to increase the cash, and diminish the preferred stock per centage, it should be done.

**RUTLAND RAILROAD.**—In order to settle the outstanding claims under the first mortgage of the Rutland and Burlington Railroad, to relieve the Company from all incumbrances and place it under corporate management the Directors are authorized to issue a preferred 7 per cent stock, free of Government tax, which is offered to the holders of both the preferred and common stock on terms which render it equal to a 10 per cent investment. We understand the holders of the preferred stock have almost unanimously subscribed for their proportion, and a similar subscription on the part of the holders of the common will enable the directors to settle all claims under mortgages and give the corporation the entire and absolute control of the property. A circular has been issued to the holders of common stock which sets forth the conditions on which the subscriptions will be received, and by which they can secure one of the most desirable investments in the market for the money advanced, and also protect and secure the ultimate value of their stock. When all outstanding claims are settled the preferred stock will not exceed \$4,300,000 on 120 miles of road, with its equipment, machine shops, wharfs, &c. The Company has hitherto been embarrassed by expensive litigations, but the property once under a corporate management, cannot fail to show largely increased earnings.—*Boston Journal*.

**NORTHERN PACIFIC RAILROAD**—The Executive Committee of the Northern Pacific Railroad Company have awarded the contract for the construction of the Minnesota division of the road, two hundred and thirty miles in length, extending from the Falls of the St. Louis river to the Red river of the north. The contractors are Ross, Payson & Co., an old Canadian firm, and Brackett, Morrison & Co., of Minnesota. Both of these firms are well known as experienced railroad builders, and are also known to be strong financially. The committee have also contracted for twenty thousand tons of rails, and for the requisite amount of spikes, ties, &c., and for engines and cars necessary to prosecute the work. The entire division referred to is to be completed by July 1, 1871.

**WEST WISCONSIN.**—The *Eau Claire Free Press* says the engineers for the West Wisconsin Railroad have declared the route via River Falls to Hudson or Prescott impracticable, hence the road will cross just above Menomonie village, and continue on direct to Hudson. This route is almost an air line, making twelve miles north in going sixty-five miles west.

**CENTRAL PACIFIC.**—The company have finally purchased the California Pacific Railroad, and will take possession in June. This will reduce the passenger time overland several hours. The Central now controls the railroad system of the Pacific coast.

**ATLANTIC AND GREAT WESTERN RAILROAD.**—A reference to the new plan proposed for the benefit of the bond and debenture holders will be found in our London letter on a previous page.

**LONG ISLAND RAILROAD.**—The Sag Harbor Branch of the Long Island Railroad has been completed. It joins the Long Island road at Manor, and is about thirty-five miles in length.

**SOUTHERN PACIFIC OF CALIFORNIA.**—San Francisco voted recently by a small majority in a very small poll to subscribe \$1,000,000 in aid of a railroad from that city down the coast to San Diego or a point near by. The road is to be built by the same parties who own the Central Pacific Railroad and the other railroads of California. The constitutionality of such a subscription is questioned. If the road is built the Central Pacific will command all the land approaches of San Francisco.

**THE TENNESSEE RAILROAD BONDS.**—KNOXVILLE, Tenn., June 2.—A special dispatch from Nashville says that the bill in favor of the repudiation of the 100 bonds issued to the Mineral Home Railroad has passed to a second reading. The bill to stop payment of 885 bonds to the Tennessee and Pacific Railroad also passed, and both are made the special order for Wednesday. The report of the Judiciary Committee advocates repudiation, because the bonds were illegally issued and sold below par.—*N. Y. Times*.

**INDIANA, BLOOMINGTON AND WESTERN RAILROAD.**—The formal opening of this road from Danville to Pekin was celebrated at Bloomington recently, on which occasion a gold watch was presented to Dr. H. Conkling, a director of the company residing in Bloomington, for his services in securing the location of the road.

—The Chicago and Alton Railroad Company have executed a perpetual lease of the Louisiana and Missouri River Railroad, which will give Chicago a direct line to Fort Scott. The company will immediately commence the construction of a road from Jacksonville or White Hall, Illinois, to the Mississippi River, where the trains will connect, by transfer boats with the Louisiana and Missouri River road for Kansas City and St. Joseph. Branches will also be built through Glasgow or Boonville to Sedalia.

—The stockholders of the Utica, Chenango and Susquehanna Railroad Company have ratified the lease of their road to the Delaware, Lackawana and Western Railroad, and voted to increase the stock to \$3,000,000.

—The bill of Congress confirming the large grant of lands to the Northern Pacific Railroad, has become a law by the signature of the President.

—A Western paper gives the following as the statement of earnings and expenses of the Lake Shore road for the past year, as presented to the directors at their recent meeting:

Gross receipts from all sources .....	\$12,945,598
Operating expenses.....	\$7,419,165
Taxes, state and National.....	492,361
	<hr/>
	7,911,527
Net earnings.....	<hr/>
	\$5,034,070
The disbursements have been for interest or funded debt, and dividends of June and December, each 4 per cent respectively, and taxes.....	4,317,698
Leaving a surplus of.....	<hr/>
	\$716,372

## THE DEBT STATEMENT FOR JULY, 1870.

The following is the official statement of the public debt, as appears from the books and Treasurer's returns at the close of business on the last day of June, 1870 :

## Debt bearing interest in Coin.

• Character or Issue.	When Payable.	Amount Outstanding.	Accrued Interest.
5's, Bonds.....	After 15 years from January 1, 1839 .....	\$20,000,000 00	\$500,000 00
5's, Bonds.....	After 10 years from January 1, 1861 .....	7,022,000 00	175,550 00
6's of 1881 .....	After December 31, 1880 .....	18,415,000 00	552,450 00
6's, Oreg. War, '81. Redeemable 20 years from July 1, 1861.....		945,000 00	28,350 00
6's of 1881 .....	At pleas. after 20 years from June 30, '61.....	189,315,100 00	5,679,548 00
6's, 5-20's.....	20 years from May 1, 1862* .....	514,771,600 00	5,147,716 00
6's of 1881 .....	After June 30, 1881 .....	75,000,000 00	2,350,000 00
5's, 10-40's.....	40 years from March 1, 1864* .....	194,567,300 00	3,242,888 33
6's, 5-20's.....	20 years from November 1, 1864* .....	3,882,500 00	38,825 00
6's, 5-20's.....	20 years from November 1, 1864* .....	125,561,300 00	1,255,613 00
6's, 5-20's.....	20 years from November 1, 1865* .....	208,527,250 00	2,035,725 50
4's, 5-20's.....	20 years from July 1, 1865* .....	382,998,950 00	9,998,968 50
6's, 5-20's.....	20 years from July 1, 1867* .....	379,602,350 00	11,388,070 50
6's, 5-20's.....	20 years from July 1, 1868* .....	42,539,350 00	1,276,180 50

Aggregate of debt bearing interest in coin ..... \$2,107,950,700 00 \$43,578,377 33  
Coupons due, not presented for payment..... 6,083,70 05

Total interest..... \$49,647,082 38

## Debt bearing interest in Lawful Money.

3's, Certificates..On demand (Interest estimated).....	\$45,575,000 00	\$277,993 57
3's, Navy pen. f'd. Interest only applic. to pay. of pensions.....	14,000,000 00	210,000 00

Aggregate of debt bearing interest in lawful money..... \$59,545,000 00 \$487,993 57

## Debt on which interest has ceased since maturity.

6's, Bonds.....	Matured December 31, 1862 .....	\$6,000 00	\$367 00
6's, Bonds.....	Matured December 31, 1867 .....	12,350 00	741 00
6's, Bonds.....	Matured July 1, 1868 .....	48,700 00	1,311 00
5's, Texas indem. Matured December 31, 1864 .....		242,000 00	12,100 00
Var., Tr'y notes. Matured at various dates .....		89,625 35	2,938 76
365 3/4's, Tr'y notes. Matured March 1, 1859 .....		2,000 00	108 00
6's, Treas. notes. Matured April and May, 1863 .....		3,300 00	195 01
7-8-10's, 3 years... Matured August 19 and October 1, 1864.....		20,700 00	1,084 06
5's, 1 & 2 years... Matured from Jan. 7 to April 1, 1866.....		248,272 00	12,266 28
6's, Certif. of ind. Matured at various dates in 1866.....		5,000 00	313 48
6's, Comp. int. n. Matured June 10, 1867, and May 15, 1868.....		2,152,910 00	410,568 61
4, 5 & 6's, Temp. l. Matured October 15, 1866 .....		181,310 00	7,501 91
7-8-10's, 3 years... Matured August 15, 1867, and June 15 and July 15, 1868 .....		681,300 00	28,047 47

Aggr'te of debt on which int. has ceased since maturity..... \$3,647,367 35 \$472,530 57

## Debt bearing no interest.

Authorizing acts.	Character of Issue.	Amt. outstand.
July 17, 1861 and Feb. 12, 1862.....	Demand notes .....	\$106,756 00
Feb. 25 & July 11, '62, & Mar. 3, '63 .....	U. S. legal-tender notes.....	356,000,000 00
July 17, 1863.....	Fractional currency .....	39,879,634 48
March 3, 1863 and June 30, 1864.....	Fractional currency .....	31,547,120 00
March 3, 1863.....	Certificates for gold deposited.....	31,547,120 00

Aggregate of debt bearing no interest..... \$430,532,060 48

## Recapitulation.

	Amount Outstanding.	Interest
DEBT BEARING INTEREST IN COIN—Bonds at 5 p. cent.....	\$221,584,700 00	
Bonds at 6 p. cent.....	1,886,361,400 00	
Total debt bearing interest in coin.....	\$2,107,950,700 00	\$49,647,082 38
DEBT BEARING INTEREST IN LAWFUL MONEY—		
Certificates at 3 per cent .....	\$45,545,000 00	
Navy pension fund, at 3 per cent.....	14,000,000 00	
Total debt bearing interest in lawful money .....	\$59,545,000 00	487,993 57
DEBT ON WHICH INT. HAS CEASED SINCE MATURITY.....	3,647,367 35	472,530 57
DEBT BEARING NO INTEREST—		
Demand and legal tender notes.....	\$356,106,756 00	
Fractional cur. ency.....	39,78,684 48	
Certificates of gold deposited.....	31,547,120 00	
Total debt bearing no interest.....	\$430,532,060 48	
Total .....	\$2,601,675,127 35	\$50,607,556 62
Total debt, prin. & int., to date, including interest due not presented for payment.		\$2,652,282,684 35

## AMOUNT IN THE TREASURY—

Coin.....	\$112,776,048 88
Currency.....	28,945,007 19
Sinking fund, in U. S. coin int't b'ds, and acc'd int. thereon.....	37,665,191 63
Other U. S. coin int. b'ds purchased, and acc'd int. thereon.....	86,537,776 91
Total.....	\$265,924,034 61
Debt, less amount in the Treasury.....	2,386,353,599 74
Debt, less amount in the Treasury on the 1st ultimo.....	\$2,406,562,371 75
Decrease of debt during the past month.....	10,208,772 34
Decrease of debt since March 1, 1870.....	\$31,969,977 43

## Bonds issued to the Pacific Railroad Companies, Interest payable in Lawful Money.

Character of Issue.	Amount outstanding.	Interest accrued and not yet paid.	Interest paid by United States.	Interest repaid by int't paid transp'n by United States.	Balance of int't paid by United States.
Union Pacific Co.....	\$27,075,000 00	\$312,230 00	\$2,891,729 35	1,329,576 57	\$1,622,152 58
Kansas Pacific, late U. P. E. D.....	6,303,000 00	159,090 00	1,023,403 19	634,359 12	389,543 97
Sioux City and Pacific.....	1,628,320 00	49,849 60	145,358 29	396 8	144,962 21
Central Pacific.....	25,381,000 00	770,605 73	2,491,744 26	161,051 17	2,337,590 09
Central Branch Union Pacific, assignees of Atchison & Pike's Peak.....	1,600,000 00	48,000 00	253,808 26	7,401 52	246,406 54
Western Pacific.....	1,700,000 00	57,966 40	73,288 76	.....	73,288 76
Total issued.....	64,477,320 00	1,926,761 73	6,879,832 51	2,145,783 16	4,734,044 35

\* These bonds are redeemable at any time after 5 years from the date here given and payable after 20 years.

† These bonds are redeemable at any time after 10 years from the date here given and payable after 40 years.

## COMMERCIAL CHRONICLE AND REVIEW

Monetary Affairs—Rates of Loans and Discounts—Bonds sold at New York Stock Exchange Board—Price of Government Securities at New York—Course of Consols and American Securities at New York—Opening, Highest, Lowest and Closing Prices at the New York Stock Exchange—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

The month of June has been devoid of any special features of interest in either trading or financial circles. The failure of Congress to reach any conclusion on the questions of funding, currency, or taxation has kept affairs in Wall street in continued suspense and produced a generally drooping condition of the markets. The merchandise markets have presented no special cause of complaint. Stocks of goods appear to have been generally well reduced by the spring and summer trade, and toward the close of the season there has been perhaps less sacrificing upon the balance of stocks than usual.

Some excitement was caused in the grain trade by an active demand for Wheat from France, the effect being to produce temporarily a material advance in the grain market and to partially depress foreign exchanges. Money has remained very abundant, the rate on call loans having ranged at 3@5 per cent, although some considerable amounts of currency have been sent to the West for the purchase of Grain and Wool.

The indefinite course of Congressional legislation relative to the finances has kept the market for U. S. bonds in an unsettled condition, but without any other effect than keeping the market dull, prices having advanced as estimated upon a gold basis. At the close of the month there was considerable speculative buying connected with the preparations of dealers for the active investment demand which usually attends the payment of July interest and dividends. The





of all the railway and miscellaneous securities sold at the New York Stock Exchange during the months of May and June, 1870 :

Railroad Stocks—	May				June			
	Open.	High.	Low.	Close.	Open.	High.	Low.	Close.
Alton & Terre Haute.....	33½	38	35½	35	35	35	33	35
do do pref.....	64	65	60	63	64	64	63	64
Boston, Hartford & Erie.....	5	6½	4	4	4½	6½	3½	4½
Chicago & Alton.....	114½	117	113½	116	117	119	117	117
do do pref.....	115	116	113½	116	118½	118½	118½	118½
do do scrip.....	110	110½	107	110½	112½	114	111½	112
Chicago, Burl. & Quincy.....	155	158	154½	158	156	160	156	160
do do & Northwest'n.....	80	83½	79	80½	81½	85½	81½	82
do do do pref.....	90½	92½	88½	90½	92½	92½	88	88½
do do & Rock Island.....	138½	136	116½	121½	119½	122½	115½	116½
Columb. Chic. & Ind. C.....	19½	20	17½	19½	19½	22½	19½	20½
Clev. & Pittsburg.....	101½	108½	105½	105½	109½	110½	109½	109½
do Col. Cin & Ind.....	79	79½	79	79½	79½	82	79½	82
Del. Lack. & Western.....	111½	112½	110	111	111	113½	104	104
Dubuque & Sioux city.....	102	104	104	107	107	107½	106½	107
Erie.....	21½	24½	23½	23½	23½	25½	21½	23
do preferred.....	50	50	46	46	45	46	45	45
Harlem.....	147½	148	138	144	144	145½	137½	140
do pref.....	.....	.....	.....	.....	.....	.....	.....	.....
Hannibal & St. Joseph.....	112	119½	110½	117½	118	121½	117½	118½
do do pref.....	110½	118	108	116½	117½	121	117½	121
Illinois Central.....	142½	143	138	140½	139½	142	139	139
Joliet & Chicago.....	91	91	91	91	.....	.....	.....	.....
Long Island Railroad.....	.....	.....	.....	.....	62	62	62	62
Lake Sho. & Mich. South.....	98½	100½	96	97½	97½	100½	97½	98½
Mar. & Cincin., 1st.....	18½	19	18½	19	19	20	19	20
do do.....	.....	.....	.....	.....	8	8	8	8
Michigan Central.....	125½	125½	123½	121½	125	125½	121½	125
Milwaukee & St. Paul.....	65½	68½	63½	64½	65½	68½	65	66
do do pref.....	79½	83	77½	78½	81½	83½	80	81
Morris & Essex.....	92½	94	92	94	94	95	88½	89½
New Jersey.....	120	121	120	120½	121	121	119	119
do Central.....	108½	110½	108	109	109½	110½	107½	108½
New Haven & Hartford.....	.....	.....	.....	.....	173½	173½	170	170
N Y Cen. & R. C. Stk.....	97½	101½	96½	100½	101½	102	96½	97½
do do scrip.....	94½	95	93½	94½	95½	96½	92½	93½
do do & N. Haven.....	151	155	151	155	159	159	155	155
do do do scrip.....	140	149	139	149	150	152½	150	152½
Norwich & Worcester.....	.....	.....	.....	.....	.....	.....	.....	.....
Ohio & Mississippi.....	36½	40½	35½	36½	40½	42	35½	35½
do do pref.....	75	76	72	72½	75½	75	75	75
Panama.....	154	154	140	140	143	141½	110	110
Pitts., F. W. & Chi. guar.....	94½	95½	93½	94½	95½	97½	94½	96½
Reading.....	102	105½	100½	107	107	109½	106	107
Rome, W. & O.....	.....	.....	.....	.....	120	120	120	120
St. Louis & Iron Moun.....	44½	46½	44½	46½	46½	49	46½	47½
Sixth avenue.....	128	128	128	128	.....	.....	.....	.....
Stonington.....	.....	.....	.....	.....	90	90	90	90
Toledo, Wab. & Western.....	54½	59½	51½	55½	55½	61½	55½	56½
do do do pref.....	72	73	72	73	74½	75	74½	74½
Miscellaneous—	.....	.....	.....	.....	.....	.....	.....	.....
Cumberland Coal.....	32½	45	32½	32½	40	40	40	40
Coushatted Coal.....	27½	28½	25½	25	25	29	26	30
Maryland Coal Co.....	.....	.....	.....	.....	31	31	31	31
Pennsylvania Coal.....	225	228	225	225	225	225	225	225
Wilkes-Barre Coal.....	65	65	65	65	.....	.....	.....	.....
Del. & Hud. Canal.....	124	124½	122½	123½	123½	125	123	125
Atlantic Mail.....	26	29½	25	29½	30	36½	29½	30
Pacific Mail.....	43½	44½	35½	41½	43½	45½	40	41½
Boston Water Power.....	17½	18½	17	17	16½	16½	16½	16½
Canton.....	70½	78	69	71½	69	69	67	69
Brunswick City Land.....	8½	8½	8½	8½	.....	.....	.....	.....
Mariposa.....	7½	9½	7½	9½	7	7	7	7
do 1st pref.....	46½	46½	46½	46½	.....	.....	.....	.....
do do pref.....	15½	18½	14	15½	15½	17½	15	15½
do do 10s certif.....	42	49	43	48½	41	41	40	40
Quicksilver.....	10	10½	9	10½	8½	8½	7½	7½
do do pref.....	16	18	12½	16	.....	.....	.....	.....
West. Union Telegraph.....	33½	33½	31½	32	31½	35½	31½	33
Citizens Gas.....	.....	.....	.....	.....	.....	.....	.....	.....
Manhattan.....	235	235	235	235	.....	.....	.....	.....
Bankers & Brokers Ass.....	110½	110½	107	107	.....	.....	.....	.....
Express—	.....	.....	.....	.....	.....	.....	.....	.....
American M. Union.....	38½	44½	38½	38½	43½	47½	43	44
Adams.....	63	63	63	63½	64	69	63½	63½
United States.....	44	49½	43½	44½	45	46	45	45½
Wells, Fargo & Co.....	19½	18	14	17½	16	17	15½	16
do do scrip.....	2½	3½	2½	3½	3½	3½	2½	2½

The gold market has been dull and the general course of the premium downward, the price having declined from 114½ at the opening to 110½ near the close. The anticipation of the payment of the July interest on the public debt has as usual had a depressing effect, and appears to have been the main cause conducing to the decline, although the large exports of breadstuffs have had the effect in that direction. At the close of the month, however, there was a stronger feeling, in anticipation of a liberal export of specie during July and August.

## COURSE OF GOLD AT NEW YORK.

Date.	Open'g	Lowest	High'st	Closing.	Date.	Open'g	Lowest	High'st	Closing.
Wednesday.....	114½	14½	114½	114½	Thursday.....	23 111½	111½	111½	111½
Thursday.....	2 114½	114½	114½	114½	Friday.....	24 111½	111½	111½	111½
Friday.....	3 114½	114½	114½	114½	Saturday.....	25 111	111	111½	111½
Saturday.....	4 114½	114½	114½	114½	Monday.....	27 111½	110½	111½	111½
Monday.....	6 114½	113½	114½	113½	Tuesday.....	28 112	110½	111½	111½
Tuesday.....	7 113½	113½	114	113½	Wednesday.....	29 111½	111½	111½	111½
Wednesday.....	8 113½	113½	113½	113½	Thursday.....	30 111½	111½	111½	111½
Thursday.....	9 113½	113½	113½	113½	June 1870.....	114½	116½	114½	111½
Friday.....	10 113½	113½	113½	113½	" 1869.....	138½	134½	139½	137½
Saturday.....	11 113½	113½	113½	113½	" 1868.....	39½	139½	141½	140½
Monday.....	13 113½	112½	113½	112½	" 1867.....	136½	136½	138½	138½
Tuesday.....	14 112½	112½	113	112½	" 1866.....	140½	137½	167½	153½
Wednesday.....	15 112½	112½	113½	112½	" 1865.....	138	135½	147½	141
Thursday.....	16 113½	113½	113½	113½	" 1864.....	194	194	20	147½
Friday.....	17 113½	113½	113½	113½	" 1863.....	146½	140½	148½	147½
Saturday.....	18 112½	112½	113½	112½	" 1862.....	103½	103½	109½	109
Monday.....	20 112½	112½	112½	112½	S'ce Jan 1, 1870. ....	12 ½	110½	123½	111½
Tuesday.....	21 112½	112½	112½	112½					
Wednesday.....	22 112½	112½	112½	112½					

The following have been the quotations of Foreign Exchange:

## COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin cents for thalers.
1.....	100½ @ 109½	515 @ 513½	41½ @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
2.....	100½ @ 109½	515 @ 513½	41½ @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
3.....	109½ @ 110	515 @ 513½	41½ @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
4.....	109½ @ 110	515 @ 513½	41½ @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
5.....	109½ @ 109½	515 @ 513½	41½ @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
6.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
7.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
8.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
9.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
10.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
11.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
12.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
13.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
14.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
15.....	109½ @ 109½	515 @ 514½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
16.....	109½ @ 109½	516 @ 515	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
17.....	109½ @ 109½	516 @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
18.....	109½ @ 109½	516 @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
19.....	109½ @ 109½	516 @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
20.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
21.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
22.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
23.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
24.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
25.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
26.....	109½ @ 109½	517 @ 516½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
27.....	109½ @ 109½	516½ @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
28.....	109½ @ 109½	516½ @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
29.....	109½ @ 109½	516½ @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
30.....	109½ @ 109½	516½ @ 515½	41 @ 41½	79½ @ 79½	36½ @ 36½	71½ @ 71½
June, 1870.....	109½ @ 110	517½ @ 513½	41 @ 41½	79 @ 79½	36 @ 36½	71½ @ 72½
June, 1869.....	109½ @ 109½	515½ @ 515½	40½ @ 40½	73½ @ 78½	35½ @ 35½	70½ @ 71½



## JOURNAL OF BANKING, CURRENCY, AND FINANCE

Returns of the New York, Philadelphia and Boston Banks.  
Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.						
Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. Clear'g's
Feb. 5.....	264,514,119	33,997,246	33,746,481	214,739,170	68,488,884	541,340,904
Feb. 12.....	245,864,653	23,072,184	33,703,573	213,192,740	56,603,000	510,842,824
Feb. 19.....	267,337,968	37,364,337	33,694,371	212,183,832	53,134,066	511,151,676
Feb. 27.....	268,435,648	25,094,330	33,340,305	211,132,943	53,771,834	459,584,815
Mar. 5.....	68,634,212	33,593,493	33,733,943	213,078,341	54,063,333	603,162,507
Mar. 12.....	268,140,603	33,390,135	33,835,739	209,831,235	53,502,004	548,015,737
Mar. 19.....	270,003,652	32,014,747	33,699,565	208,816,823	52,774,420	523,079,551
Mar. 26.....	270,807,768	72,371,353	33,674,394	203,910,713	52,685,063	481,333,035
Apr. 2.....	271,756,871	29,387,183	33,676,564	206,413,430	50,011,793	516,062,093
Apr. 9.....	273,171,588	28,787,692	33,734,233	201,702,434	47,870,833	476,846,388
Apr. 16.....	269,981,721	26,879,513	33,698,258	202,913,989	50,180,040	429,463,971
Apr. 23.....	269,016,279	25,310,322	33,616,928	203,823,375	53,119,946	444,603,369
Apr. 30.....	269,504,285	23,817,596	33,506,393	202,769,350	54,944,565	653,515,115
May 7.....	275,246,471	31,498,999	33,444,641	217,362,213	56,108,229	701,060,925
May 14.....	273,382,314	32,453,906	33,393,930	222,442,319	57,947,005	659,260,661
May 21.....	280,261,077	34,116,935	33,191,648	226,552,936	59,023,306	635,678,330
May 28.....	279,550,743	32,739,035	33,249,818	228,039,315	61,618,076	576,635,521
June 4.....	279,436,724	30,949,490	34,395,083	226,191,797	61,290,310	513,452,668
June 11.....	276,419,576	28,522,819	33,143,158	220,699,390	61,559,170	574,132,050
June 18.....	276,639,004	28,995,971	33,073,643	219,932,832	58,130,321	498,872,664
June 25.....	277,017,307	28,228,985	33,094,113	217,522,555	57,213,515	537,232,370

PHILADELPHIA BANK RETURNS.						
Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	
Jan. 3.....	51,662,663	1,390,096	12,670,193	33,990,011	10,568,651	
Jan. 10.....	51,472,570	1,353,919	12,992,812	33,877,139	10,568,651	
Jan. 17.....	52,060,611	1,353,772	12,994,924	33,855,433	10,568,651	
Jan. 24.....	51,635,095	1,063,406	13,827,515	39,504,792	10,577,913	
Jan. 31.....	51,709,658	995,463	13,752,537	39,530,011	10,573,468	
Feb. 7.....	51,328,653	957,510	13,741,867	39,512,149	10,568,181	
Feb. 14.....	51,373,296	1,090,955	13,339,610	38,531,194	10,573,393	
Feb. 21.....	51,239,931	1,302,456	13,236,144	39,555,165	10,572,973	
Feb. 28.....	51,523,024	1,313,173	13,406,658	39,279,859	10,568,905	
Mar. 7.....	51,400,331	1,429,307	13,192,283	39,033,042	10,576,552	
Mar. 14.....	51,417,645	1,677,318	12,704,279	39,382,552	10,565,909	
Mar. 21.....	51,587,837	1,581,272	13,125,658	39,751,253	10,578,484	
Mar. 28.....	51,454,623	1,599,517	13,094,295	39,781,153	10,586,611	
Apr. 4.....	51,898,125	1,530,747	12,769,911	38,771,237	10,575,771	
Apr. 11.....	52,141,533	1,499,429	13,052,837	39,279,143	10,571,749	
Apr. 18.....	51,928,431	1,314,127	13,868,761	41,033,306	10,571,794	
Apr. 25.....	52,019,555	1,063,741	14,827,013	41,677,500	10,575,120	
May 2.....	52,343,057	1,247,220	15,441,523	42,947,076	10,571,533	
May 9.....	52,413,393	1,222,629	15,851,263	43,429,317	10,568,337	
May 16.....	52,234,603	1,164,012	16,241,783	44,118,042	10,562,404	
May 23.....	52,200,243	1,049,943	16,450,337	41,233,016	10,561,075	
May 30.....	52,330,294	923,943	16,769,102	45,117,172	10,561,378	
June 6.....	53,098,534	869,597	16,696,682	45,122,730	10,561,681	
June 13.....	53,183,290	841,561	16,702,115	44,937,979	10,561,366	
June 20.....	53,647,403	743,235	16,393,310	44,398,340	10,569,851	
June 27.....	54,283,879	723,841	15,805,568	44,351,747	10,562,839	

BOSTON BANK RETURNS.						
Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	
Jan. 3.....	105,985,214	3,765,348	11,974,659	40,007,325	25,280,893	
Jan. 10.....	107,895,263	4,977,254	10,941,125	42,177,610	25,298,465	
Jan. 17.....	107,949,017	5,418,001	10,794,881	42,377,002	25,191,545	
Jan. 24.....	108,387,450	5,542,674	10,962,102	41,593,558	25,255,818	
Jan. 31.....	107,875,179	5,231,785	10,992,969	40,696,016	25,206,094	
Feb. 7.....	109,683,011	5,055,001	10,433,107	40,008,823	25,160,654	
Feb. 14.....	109,997,027	4,884,147	9,326,566	39,918,414	25,212,614	
Feb. 21.....	109,651,273	4,634,776	9,386,266	38,475,853	24,230,566	
Feb. 28.....	108,905,269	4,457,113	8,918,129	37,688,842	25,225,629	
Mar. 7.....	108,267,431	4,929,867	8,765,874	37,681,933	25,200,863	
Mar. 14.....	108,014,028	5,024,691	8,510,573	37,708,082	25,238,027	
Mar. 21.....	107,884,867	5,170,700	8,352,261	37,083,533	25,270,457	
Mar. 28.....	107,043,300	5,190,348	8,499,444	37,123,211	25,265,004	
Apr. 4.....	106,722,659	5,163,494	8,470,465	38,831,613	25,278,442	
Apr. 11.....	106,156,094	5,057,341	8,162,039	39,504,080	25,285,103	
Apr. 18.....	106,569,372	4,851,954	8,276,721	39,632,227	25,292,206	
Apr. 25.....	106,012,527	4,536,884	8,872,670	39,960,142	25,231,817	
May 2.....	106,245,609	4,551,701	10,081,661	41,042,350	25,109,619	
May 9.....	107,001,204	4,792,968	9,814,428	41,205,597	25,207,464	
May 16.....	106,949,539	4,545,390	9,584,703	41,675,369	25,303,201	
May 23.....	106,840,256	4,068,744	9,684,654	41,160,000	25,199,719	
May 30.....	107,097,074	3,875,717	9,721,703	40,056,344	25,159,808	
June 6.....	107,151,710	3,475,523	9,776,231	40,318,620	25,139,378	
June 13.....	106,901,496	3,534,313	9,560,069	38,901,202	25,146,390	
June 20.....	106,451,436	3,397,873	9,136,032	38,617,293	25,175,753	
June 27.....	106,416,187	3,177,413	9,332,653	38,899,529	25,135,669	